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SOCIAL JUSTICE

Father Coughlin's Weekly Review

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SOVIET POLAR FLIGHT BIDS FOR FRIENDSHIP OF U. S.

EYES and EARS

By Mark Meechan

"ETERNAL vigilance is the price of liberty."

That truism is as old as man's struggle for political independence; but it is one which must be re-emphasized wherever a concerted attack is made on the freedom of a people.

It must be taught to each new generation as the very foundation of inherited institutions which give the individual the supreme right to work out his own destiny.

Vigilance is characteristic of peoples who have actually fought and suffered to gain their freedom. Sluggishness and indifference are too often the attitude of people who have long enjoyed freedom from tyranny, gained for them and handed down to them by their forefathers.

Because the American people had begun to consider their liberty as natural and as permanent as the sunlight, it has been easy for a faction of politicians to take advantage of their temporary sufferings.

During the past five years dangerous bureaucracies conceived and directed by even more dangerous "brain trusters" have been shaped and perfected while the American people slept.

During the past five years national leadership, under the pose of liberalism and humanitarianism, has succeeded in welding together a gigantic bloc of the discouraged, the unambitious, the envious, into an effective balance of power in the national elections.

During the past five years a colossal debt of $35-billion has been piled up through the philosophy of making the efficient, the ambitious and the self respecting carry on their backs the wastrel, the profligate and the improvident.

Through the mediation of

(Continued on page 3)

Gov. Murphy Compelled to Kill Own Bill

Model Labor Law Not Satisfactory to Lewis; Legislature Refused Roosevelt Revision

On Friday, July 30, Governor Frank Murphy, of Michigan, vetoed his own Industrial Relations Act which he had hailed before audiences throughout the country as a model piece of legislation, which should be passed by other states.

The act legally established the right of labor to organize, to bargain collectively and, through majorities, to establish sole bargaining agencies of their representatives.

The act set forth the inherent right of man to strike, which only means that he is a free man and can work or not work as he pleases. Picketing was regulated in the sense that there was a prohibition on blocking public thoroughfares and of stopping ingress or egress at plants.

Pickets Limited To Employes

Certainly civilization needed no new law to keep open the highways as public thoroughfares and certainly the new law contributed no new legal status to the individual approaching privately owned buildings on privately owned land. Nevertheless the law did limit the picketing of a plant to the actual employes of the plant and this was its principal new feature.

Governor Murphy worked hard to secure the passage of this industrial act over strenuous opposition in the Michigan Senate which was particularly reluctant to accept the provisions of the act.

We repeat, it was heralded wide and far as a model act. It had gone further than the Wagner-Connery Labor Relations Act. It was said to be an act which the 47 other states should hasten to copy.

(Continued on page 12)

Monroe Mayor Denied Troops, UAW Got 'em

DETROIT, MICH.—Mayor Daniel A. Knaggs of Monroe, Mich., addressing a Detroit Rotary meeting last week, charged that Gov. Murphy refused his request for troops when a U. A. W. mass meeting was scheduled in connection with the steel strike there, but that when union heads asked for troops to protect their meeting, the governor of Michigan granted their request.

Mayor Knaggs said there were no vigilantes in Monroe, but that ex-servicemen had been sworn in as special deputies. The U. A. W., he said, had announced it would concentrate thousands of its members in Monroe for the mass meeting. When 500 U. A. W. members came to Monroe, he said, they were met by special deputies armed with shotguns and deer rifles and retreated to Flat Rock, where other U. A. W. members had gathered.

He said Monroe has adopted a new rule on picketing of plants. **All persons in a picket line in Monroe,** Knaggs said, **must be local residents.**

Gov. Murphy incorporated this provision in his labor relations bill, but when the bill was passed, vetoed it, Knaggs said.

"He must have had good reason to veto that bill," said Knaggs. **"I hope it wasn't because Homer Martin sent him a telegram requesting him to veto it."**

Contest Judge

Mrs. Beatrice Lammert, senior moderator for Social Justice Councils in Cincinnati, Ohio, is the sixth judge in the KNOW SOCIAL JUSTICE Contest, in which winners are to be announced next week. Mrs. Lammert, with five Social Justice leaders previously named, have designated the best and most appropriate answers submitted.

Winners in Contest Announced Next Week

After weeks of intense work on the part of our clerical staff, results of our **"KNOW SOCIAL JUSTICE"** Contest will be announced in our next week's (August 23) issue of **SOCIAL JUSTICE.**

On that date the names of prize-winners will be made public together with the answers chosen by the six judges as being **the best and most appropriate** to the 50 questions. Checks and automobiles will be immediately forwarded to the happy persons who came out on top.

We can well appreciate the anxiety of our readers to find out who the winners are. This eagerness is part of the thrill of contest activity. Of course, everybody cannot win or there would be no contest at all. Many will find they missed being "in the money" by only a few answers. However, in a competition of this kind, there is always the consolation that much education has been gained regardless of the material awards. We have on file many letters attesting the fact that the writers have gained more real social justice knowledge from their participation in the competition than they would from a college training.

Our **"KNOW AMERICA"** Contest is proving every bit as popular as its successful predecessor. It will not be long until we are again announcing the winners—335 of them—in this second Contest. This time there will be more than $8,500.00 in prizes to distribute.

Stalin Visit Planned, Is Capital Tip

Russians Dickering for America's Backing in Impending Crisis in the Far East

By Staff Correspondent of SOCIAL JUSTICE

WASHINGTON, D. C. — The frozen floes of the northland were only incidental hazards to the Russian airmen who recently completed two trans-Polar flights to the United States.

The principal hazard they were supposed to overcome was a diplomatic one. The underlying purpose of the Polar flights was to break through the icy attitude of the average American citizen toward the Soviet regime.

The flyers, by the very brilliance of their feat were counted upon to drive an opening wedge in this barrier of prejudice and leave the rest to Stalin's suave diplomats.

Diplomat Visits At White House

Everything was timed to perfection. Hardly had the Polar planes come to rest on American soil than Lazare Kaganovitch, one of Stalin's ace statesmen, popped up in Washington. How Commissar Kaganovitch got into the country, unless he stowed away in one of the planes, is still a mystery.

News reports stated that he "slipped into the country unheralded" and called on President Roosevelt while the visiting airmen were making a good will tour of the United States. Not a peep came from the White House as to the nature of the Kaganovitch mission, and the Russian embassy, of course, was non-committal.

An effort to establish bonds of friendship between this country and Russia is obviously in the background of all this maneuvering. Stalin

(Continued on page 12)

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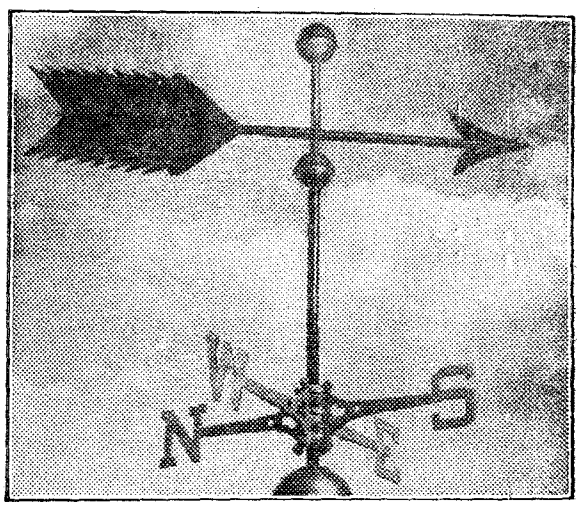

THE INDICATOR

By Father Coughlin

DURING the past summer several excellent schools were operated in various centers for the clergy. Subjects pertaining to social justice, labor, "**Quadragesimo Anno**," Communism and economics were discussed by professors and experts for the benefit of the visiting gentlemen.

* * *

The invited lecturers on these subjects included such names as Father Parsons, S.J., ex-editor of "America," Monsignor John A. Ryan, Bishop Lucey of Amarillo, Texas, and Doctor F. J. Haas.

* * *

Many illuminating thoughts were expressed. Moreover, a bevy of humorous ideas also escaped their lips. Among the latter was the pronouncement by Monsignor Ryan that Father Coughlin's economics are now "**philosophically sound but psychologically unsound.**"

* * *

O tempora! O Mores! Eight months ago, Father Coughlin's financial economics were "90 per cent unsound," according to this same solon! Be patient! Six days hence, and there will be a new ex cathedra pronouncement. It's fun!

* * *

In general, these schools have accomplished much good. However, in a spirit of kindliness, and without mentioning names or places, permit me to pass over all the good lessons which were taught at these gatherings, and to touch upon several theses which were upheld by three or four un-named lecturers at two of the clerical schools.

* * *

One lecturer, in a dramatic gesture, raised his hands a la Demosthenes as he lamented the opposition which Mr. Roosevelt's Child Labor Amendment was encountering. He let his audience understand that the Child Labor Amendment was a holy and virtuous thing. Inferentially this reverend lecturer belabored the seven bishops of New York State, including Cardinal Hayes, because these high ecclesiastics had opposed the regimentation of American youth and had decided unanimously that the Child Labor Amendment was a radical measure having nothing to do with children and less to do with labor.

* * *

I am informed that another lecturer earnestly upheld the Supreme Court packing project of Mr. Roosevelt. Like a modern Bernard of Clairvaux, he was anxious to marshal his audience to take up verbal arms in a crusade to defend the Holy Land of the New Deal and help Sir Franklin destroy the dragon of the Constitution.

"God help the Catholic Church in America if the Supreme Court bill is lost" was his peroration.

Well, it's lost and the Church is still here.

After he had delivered himself of his inspiring appeal, a fellow lecturer leaned over to him and said: "Didn't you know what happened? Yesterday, the packing bill was defeated 70-20!"

* * *

STILL another lecturer maintained that it is fine for Catholics to be neutral in thought on the Spanish question.

We have steadfastly maintained that mental neutrality on this question is the basest form of pussy-footing.

Just last week, Pius XI officially recognized the side of Franco and thereby opposed Caballero. His Holiness is not "neutral" on such questions.

* * *

Perchance, it would be more charitable to maintain the proposition that summer heat sometimes seriously affects certain summer school lecturers. Or, perchance, to avoid the heat and the results therefrom, it might be well for the lecturers who were responsible for the above contributions to deliver themselves of their pronouncements on some breeze-fanned river to the accompaniment of the tune, "The Watch on the Rhine" (you can spell it the Gaelic way if you please).

* * *

All praise to the summer schools! **Like pioneers in every field, they are taking up a study of a subject which should have been initiated in America in 1891 when the "Rerum Novarum" was first promulgated.**

Many difficulties will be encountered. Some mistakes necessarily will be made. Nevertheless, may we hope that in the pursuit of the studies undertaken at these schools the entire doctrine of both Leo and Pius will be rounded out—a doctrine which is strictly in accord with the principles of Christian social science; a doctrine which does not neglect the encouragement of vocational unions; a doctrine which does not pass over slightingly the necessity of removing the causes of Communism; a doctrine which does not take the dunce attitude that money is a mystery; a doctrine which is woven around the dogma of the mystical body of Christ and a government by law rather than a government by man.

* * *

THE experience of 10 bitter years is already behind me—10 years which have embraced many honest mistakes, as well as the assurance of some good accomplished in an endeavor to conduct a radio school at the cost of more than $5-million, which was gladly spent to arouse a downtrodden people to the causes of their exploitation, of the concentration of wealth, and to the assurance that the Christian church has been, is, and will be forever on the side of the poor. These 10 years were 10 unpopular years; for very few of my fellow clergymen had little sympathy with me as I ventured to condemn modern capitalism, which succeeded, both through exploitation and through concentration of wealth, in creating want in the midst of plenty.

* * *

Pius XI had a word to say on this point. He said that these two evils are "irresistible" as long as money and credit are held and regulated in the hands of a few.

* * *

Unfortunately, to my knowledge, no summer school has emphasized this point.

* * *

It was a pleasant diversion to sit in the cool office of SOCIAL JUSTICE and have student pilgrims visit me. These pilgrims carried with them their knapsacks of precious news. Glowingly groups of them reverently and irreverently unfolded the pearls of truth which they had gleaned at the feet of the masters, as well as the sociological faux paus to which they had listened.

* * *

Perchance, I labored with the thought that they were casting these pearls before swine. Perchance, I drew some small consolation from the fact that this weekly paper was being scattered into hundreds of thousands of hands as it upheld the decision of the seven bishops of New York State on the Child Labor Amendment, as it upheld the Constitution of our nation, as it upheld the universality of the encyclicals and their application even to outcast America, and as it upheld our juridical form of government and the teaching of His Holiness relative to those who control and regulate money and credit.

* * *

It will be advantageous, then, if the clergy who attended these summer schools, lacking the publication of the lectures, will disseminate the sound truths which they acquired, to their unfortunate fellow clergymen whom circumstances excluded from attending the intellectual sessions. As for the unsound thoughts, let them be consigned to the realm of amnesia.

* * *

The thought occurred to me to organize a summer school or preferably, an autumn school at Royal Oak, Mich.

We will be willing to contribute room and board, cigarettes and laundry to the reverend clergy who will care to come, if this meets with the approval of my superiors and of a sufficiently large group of clergy.

* * *

But on the other hand, if we charge nothing, possibly the lectures will be worth nothing.

In attempting to conduct a series of lectures for the clergy, with the help of outstanding talent available both at home and abroad, it may be best to choose as a date for such an enterprise the season of mists and mellow fruitfulness, when the moon is on the pumpkin; instead of that other season when it shines dangerously upon well-scrubbed heads.

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Senate Passes Wages-Hours Bill

EYES and EARS

(Continued from Page 1)

the politician, the process of leveling the best down to the status of the worst has already made great strides in "the land of the free and the home of the brave."

The valiant "saviors of the nation" who set out in 1933 with a ringing mandate to reform the evils which robbed home-owners of their homes, farmers of their farms, the thrifty of their savings, have adroitly avoided the indicated reforms and have instituted a system well designed to keep the man who is down, eternally down—and to drag other men down with him.

Throughout more than four years of this process the American people failed in the vigilance which is the eternal price of liberty.

* * *

ON NOVEMBER 3rd, 27 millions of them went to the polls and voted for more of the bureaucracy, more of the ostrich psychology of debt, more of the demoralizing regimentation of free Americans as dolesters.

The ruling political faction took that vote as a mandate to do anything under the sun; and they immediately started to destroy the balance of governmental powers, the magic formula which has kept this nation free of tyrants and dictators through all the vicissitudes of 150 years.

On the fifth of February, 1937, the President issued a message to Congress asking for the power to "fix" the court of last resort so that he might be assured that it would faithfully carry out, not the provisions of the Constitution, but the executive will.

About the same time it was clearly demonstrated to every American who can read, that there was an unholy alliance between a Communist-bent labor union and the national administration, which constituted the most flagrant violation of the people's trust by the highest officer of the people's government in all the history of the republic.

The people awoke; the people bombarded Washington with protests so voluminous and so violent that upon the recent show-down of the Supreme Court issue, the administration elected by the greatest popular vote in history and backed by an overwhelming party majority in both houses of Congress was ignominiously defeated.

The American system was saved and in so far as they could do so, the people registered their protest against the power-mania which had tried to justify itself on the theory that it had a mandate from the people to do a thing that the people had never heard of—nor even dreamed of.

The price of liberty, however, is "eternal" vigilance. As unreasonable as it may seem, the American people began to relax in their vigilance from the very moment when the "court-fixing" bill was recommitted to the judiciary committee, and thus killed.

On every hand could be heard the exulting cry that the course of dictatorship had been arrested and that the republic had been finally and permanently saved.

* * *

AMERICA has already slumped back into its lethargy, forgetting that those who know the eternal gnawing of the avarice for power never sleep.

The faction leader who would have desecrated the last solemn advice of George Washington, who would have made the Supreme Court of the United States a puppet to his will, has "only just begun to fight" — and the cards of fate all lie in his favor.

His ambitions were thwarted primarily by a revolt within his own political party. The destinies of Democratic Senators and Congressmen, who opposed the desecration of the Supreme Court, however, are bound up with the Democratic party, just as are the destinies of the party leader, the President.

In other words, as the political set-up stands, the Democratic critics of the President's over-weening and dangerous ambition must seek their political survival under the Democratic banner and under the leadership of the President.

In November of 1938, every member of the House of Representatives and one-third of the membership of the Senate must go back to the people for re-election.

That election will be significant in two ways.

To the individual members of Congress it will be solely a question of personal survival.

To the New Deal machine—to Jim Farley and his dole-billions political machine — it will mean the opportunity for a re-affirmation of the great mandate of 1936 under which the President attempted to take over the Supreme Court and to make the nation "safe for the C. I. O."

Meanwhile the Farley machine will use the power of patronage and public money to see that the opponents of the President's every whim are defeated by their own party in the primaries. The Democratic governor of Indiana has already announced that sort of reprisal against the Supreme Court defender Senator Van Nuys. He announced it on the very steps of the White House, immediately after a conference with the President.

The people must be vigilant against that sort of Hitlerism—and they will need all the vigilance of which they are capable to defeat professional political machines such as the Pendergast machine of Missouri, the Kelly-Nash machine of Illinois, the Guffey-Earle machine of Pennsylvania, and similar combines in every other state.

The greatest challenge to the vigilance of true Americans, however, will come at the general elections of 1938. Whether or not the machine politicians of the New Deal are successful in their throat-cutting at the primaries, they will swing into line behind any and every Democratic candidate for Congress at the general elections.

What they will be seeking will be a Democratic sweep of the nation to create another over-balanced one-party Congress.

If they succeed the mellifluous voice of the great charmer will again be heard claiming a re-affirmation of the great mandate of 1936. He will say that the people want him to be the "master." He will claim that the people wanted him to take the Supreme Court in tow.

Of course, unless the American people are vigilant every moment, they might never dream that so much could be made of a mere Congressional election. The man who would be dictator, however, must be a man of many wiles — and he must never sleep.

A Congressional election can undo all the nation-saving accomplished by the valiant Senate opposition—if the people are not eternally vigilant.

Social Justice Presents

"The Indicator" by Father Coughlin	Page 2
Fr. Coughlin's Letter to Clergy (Part 3)	Page 8
Editorials: Line on Legislation	Page 4
Eyes and Ears Over Washington	Page 1
Polar Flights Soviet Gesture	Page 1
The Pope Speaks (Chapter VII)	Page 9
Depression a Banking Plot	Page 5
"KNOW AMERICA" Contest	Page 14
Tours to the Shrine	Page 10
R. H. Hemphill's Financial Article	Page 15
The Wages and Hours Bill	Pages 3-11
Congressional Recordings	Page 6
The Federal Housing Bill	Page 16
The People Speak	Page 13

Act's Own Terms Pave Way For Its Unconstitutionality

By a Senate vote of 56 to 28, President Roosevelt's "Wages and Hours" bill passed the upper House of Congress on July 31, and went over to the House of Representatives for final passage.

Before the Senate passed the bill, however, it threw out of its provisions all the administration's child labor theories and in their place adopted the provisions of the Wheeler-Johnson Child Labor Bill. By this action the Senate so amended the "Wages and Hours" bill as to make passage certain.

What is the "Wages and Hours" bill?

First, the bill is properly entitled "The Fair Labor Standards Bill."

Second, the bill creates a board of five members appointed by the president, by and with the advice and consent of the Senate, with authority to regulate the hours of labor and the rate of wages expended upon the production of goods carried in interstate commerce.

Given Power Over Wages and Hours

The terms of the members are for five years and their service is staggered by the old device of appointing originally for one, two, three, four or five-year terms.

The membership is to be considered in relation to geographical and industrial interest by the president in appointing and by the Senate in confirming.

Then comes the old permissive legislation. The board has authority to fix the hours of the national work-week at any figure, 40 hours or more. Then the board may vary that "fixed" work-week for geographical, industrial or seasonal reasons.

The bill then provides that the board may fix minimum wages on a nation-wide basis at any figure of 40 cents an hour or more. Then the board may vary the "fixed" wage for geographical, industrial or seasonal reasons.

Way Is Paved For Unconstitutionality

Congress is tired out these days. It is too tired perhaps to think of what the Supreme Court has had to say with respect to Congress delegating its authority and with respect to "abdicating."

Congress has limited its new "Fair Labor Standards" board to making 40 cents an hour the minimum wage and 40 hours a week the minimum work week. Then, instead of holding the program on a national basis, the way for its unconstitutionality is clearly outlined in the permissive authority given the board to exempt United States Steel from its provisions, to exempt the state of Nevada from its provisions or to exempt Spring, Summer, Autumn or Winter from its provisions.

The bill prohibits interestate shipment of goods produced by child labor. This is a good provision. The census of 1910 showed the United States employing daily approximately 2 million little children, none over 15 years of age. The census of 1920 showed us employing approximately 1 million little children, none over 15 years of age. Therefore, we made progress in that decade between 1910 and 1920. The census of 1930 showed us still employing 600,000 little children under 15 years of age.

Child labor should have been wiped out in the last decade. A few recalcitrant states will exploit little children and these are the same states where the majority of the 2,200,000 aged are employed. These are the impoverished states. If the truth were known these states do not employ the little children and the aged because they are impoverished. Rather, it may be that **they are impoverished because they hire the little ones and the aged.**

The "Fair Labor Standards Bill" not only forbids the products of child labor from entering into interstate commerce, but it makes such products subject to the child labor laws of the states into which they are shipped. What does this mean?

Child Labor Barred by Bill

We recall the "sick chicken case" of the N. R. A. days. The government selected, in that instance, a case it was almost sure to lose before the Supreme Court. It selected the "bird" after it had arrived in New York State and had changed owners in New York State and was merchandised in New York State. It refused to select a case in the state where the chicken was raised, prepared for interstate commerce, or actually sold into interstate commerce, or actually transported in interstate commerce.

The government probably selected wisely in order to lose the case and then go to the country on the plea the Supreme Court should be destroyed.

Now Senator Wheeler's amendment to the "Fair Labor Standards Bill" makes the laws of the state into which goods are shipped apply to those goods.

Thus, four or five recalcitrant states cannot longer exploit child labor and plead in defense their own laws or interstate commerce laws as protection. Hereafter such states are bound to respect the laws of the states receiving, as well as producing, goods made by child labor.

Dangerous Power Over Exemptions

The "Fair Labor Standards Bill" exempts agricultural labor, seasonal workers, apprentices, the disabled, dairy workers and other groups.

It then proceeds to establish a board which can continue the process of exemption.

Ultimately the bill may be the means of Roosevelt being able to "exempt" right down to his own list of "economic royalists" and under the guise of law destroy their economic liberty.

The "Fair Labor Standards Bill" safeguards all the provisions of labor contracts and collective bargaining under the Wagner-Connery National Labor Relations Act and expresses as a national policy that the 40 cents an hour is not to be regarded

(Continued on Page 12)

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SOCIAL JUSTICE

FATHER COUGHLIN'S WEEKLY REVIEW

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PRINCIPLES OF SOCIAL JUSTICE

1. **Liberty of conscience and education.**
2. **Just, living, annual wage.**
3. **Nationalization of important public resources.**
4. **Private ownership of all other property.**
5. **Control of private property for public good.**
6. **Abolition of Federal Reserve Banking System and establishment of a government-owned Central Bank.**
7. **Restoration to Congress of its sole right to coin and regulate the value of money.**
8. **Maintain cost of living on an even keel.**
9. **Cost of production plus a fair profit for the farmer.**
10. **Labor's right to organize.**
11. **Recall of non-productive bonds.**
12. **Abolition of tax-exempt bonds.**
13. **Broadened base of taxation on basis of ownership and capacity to pay.**
14. **Simplification of government and lower taxes.**
15. **Conscription of wealth as well as men in event of war.**
16. **Sanctity of human rights preferred to sanctity of property; with government's chief concern for the poor.**

What Is September 17th?

HOW many, as they read this sentence, know why September 17th of this year will be a day of most unusual significance to every American?

Perhaps you will be surprised—as literally millions of other Americans would be surprised, could they read this page—that September 17th will mark the one rundred and fiftieth anniversary of the adoption of the Constitution of the United States.

Why, you will no doubt ask with us, is this great anniversary being permitted to slip up on us unnoted?

Why is it that the day which denotes the passage of a century and a half of political freedom on the North American continent has been no inspiration to the thousands of official publicity men on the staff of the national administration?

Why has no proclamation issued from the President, preparing the minds of the American people for the celebration of the glorious sesqui-centennial day and announcing a program of national celebration?

The President's birthday is observed each year with ceremony and festivity. Committees are appointed, weeks in advance of that day, to publicize the event and to perfect a program of national celebration.

Can it be that the administration considers the seventeenth of September as of little moment in our national life? Or, would it simply be too embarrassing for the President if he were to take the leadership in commemorating the adoption of the great document which clearly defined and separated the executive, legislative and judicial powers of government—thereby making possible our 150 year unbroken record of free government?

Whatever the answer to these questions may be, the American people are missing a great opportunity of dramatizing for the peoples of the world the great record of the American republic—as a declaration of national solidarity, as a challenge to the subverters of established governments and as a signal of hope to discouraged peoples.

Why is the New Deal not interested in the birthday of the Constitution?

Corrupt Practices

RECENTLY Robert R. Young, the new head of the old Van Sweringen railroad empire, told the Senate railroad finance investigating committee that he had been badgered by the Democratic National Committee into "purchasing" $15,000 worth of dead and forgotten convention books.

That he was not interested in obtaining the books for their own sake was indicated by his statement that he "would have taken old soap-wrappers if they had offered them to me."

This testimony again brings to the public attention what is probably the most brazen violation of the federal Corrupt Practices Act on record.

The Corrupt Practices Act forbids politicians or political parties to solicit or accept contributions from corporations. It was designed to keep elections clean of the influence of special interests.

The subterfuge of "selling" utterly useless convention programs for outlandish prices does not change the nature of the **corruption.**

The fact is that dozens of corporations have given thousands of dollars to the Democratic Party in definance of the law and, we are free to presume, "for special favors."

The most serious aspect of the **corruption** is that many of these books were given their specious value by being embellished with the signature of the President of the United States.

The only explanation that has come from the White House is that the President did not know what he was doing when he autographed the stack of slips designed for insertion in the fund-raising books.

That the man who is so busy that he needs six more assistants than any other President ever had would take his precious time to sign a stack of blank sheets, not knowing why he was doing it, has already become a great national absurdity.

As bad as the first publicity on this official corruption was, it had been lost under many other sensational matters crowding the public attention, until it was discovered that force was being used on people who are under investigation by congressional inquisitors as a means of raising funds for the Democratic Party.

Senator Wheeler, chairman of the committee before which Mr. Young testified, readily saw the corrupt purposes of the $15,000 "sale" to Mr. Young and was quick to wash his hands of any complicity in the astounding racket. He said:

"This solicitation of funds from persons summoned before congressional committees is a deplorable practice. It might give the impression that witnesses must give money to get proper treatment, or that if they contributed they might get some favors.

"If anyone thinks for a moment that such contributions will influence Congress, or its committees, he is mistaken. They will buy no special treatment here. The very solicitation of such funds is a reflection upon Congress."

Corruption brought the downfall of the Roman Empire; it will bring the downfall of the American republic —unless the people soon rouse themselves from their unbelievable apathy.

Wish Thinking

GOVERNOR FRANK MURPHY recently stated at a party gathering in Connecticut that the overwhelming defeat of the court fixing bill had not lessened the president's grip on the people.

Jim Farley in Toledo, Ohio, said: "The Democratic is the majority party in this country . . . We intend to keep it that way." He didn't even mention the fatal court-bill vote.

Both forget that the president's dictatorial ambition was thwarted by senators of his own party **who changed their minds only after they had heard from the people back home.**

A Line On Legislation

SUBJECT: The "A. A. A. Farm Bill of 1937."

STATUS: Introduced in the Senate by Senators McGill of Kansas and Pope of Idaho; in the House by Representative Marvin Jones of Texas. Bill is too controversial to permit of final action at this session. Leaders have agreed to continue study of measure after Congress adjourns.

AUTHORS: Secretary of Agriculture Wallace and his advisers in the department.

SUPPORT: The only support so far has come from the Farm Bureau Federation. The other two leading farm groups—the National Farmers Union and the National Grange—have withheld their approval pending drastic revisions of the bill.

ANALYSIS: The principal objective of the bill is production control by the federal government. The bill revives the unconstitutional "processing taxes" at the rate of 2 cents a pound on cotton, 10 cents a bushel on wheat, 10 cents a bushel on rice, 25 cents a hundred pounds on hogs, and an undetermined processing tax on tobacco. Livestock products, including dairy, are excluded from the bill—except that a processing tax is levied on hogs instead of on corn.

* * *

The bill ties in with the Soil Conservation Act, provides for benefit payments to those who "co-operate" under that act. The probable cost of administering the bill will be upward of $500-million a year.

* * *

The measure includes the "ever normal granary" idea, but there is no assurance of minimum prices to farmers or an "ever normal pocketbook." Many members of Congress freely express the opinion that farm states will "rebel" if another processing tax is levied on hogs and other farm products. Farmers fear a repitition of old A. A A. abuses. Processors, they say, will not pay the tax as they are supposed to, but will deduct the amount of the tax from the sales price the farmer receives for his hogs, wheat, tobacco, etc.

* * *

Carrying out the "granary" features, a "Surplus Reserve Loan Corporation" is provided in the bill with a government subscribed capital of $100-million to make terminal storage loans to co-operators.

After this measure is revised, and the unconstitutional features stricken out, and additional "title" should be added—providng for the regulation of the marketing of farm commodities, fixing minimum prices on the cost of production. Also, the government should devise some system to encourage the exporting of products made from surplus farm commodities by the issuance of "debentures" or the payment of subsidies on such products. American farmers could thus meet tariff requirements in other lands.

* * *

The above proposal has the support of the National Farmers Union and is in accord with the principles promulgated by Father Coughlin. It would assure our farmers an income covering cost of production, aid the export of manufactured products (keeping wages at home) and remove the cause for regimenting farmers. It would, furthermore, restore earning power and prosperity to the farms of the United States, a duty which the government can perform without insulting the farmer with benefit doles.

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Nation's Depression Deliberately Planned at Secret Bank Meeting

Plot Beyond Control, Shut 15,000 Banks

By the Financial Editor of SOCIAL JUSTICE

In order to understand the fact that there were 30,000 banks in this country and that number has been deliberately reduced to a few more than 15,000, it is necessary to go back to 1920 and see how a plan was evolved for "fewer and bigger" banks.

In London, the Bank of England rules through a "Big Five" and their respective correspondents. It seems probable that the same objective is desired in this country through the Federal Reserve System. That accounts, in part, for the fact that Marriner Eccles, chairman of the Federal Reserve Board, openly advocated before a Congressional Committee the advantages of the Branch Banking Bill now pending.

It was proposed by Andrew Mellon and Ogden Mills in 1932 and has been resurrected by Senator MacAdoo in 1937. This plan, if passed by the Congress, would give vital control to a few big banks, and the branches, instead of serving their local communities, would be but octopus arms to suck the economic life-blood out of the producing centers of the nation. It should be defeated at all costs.

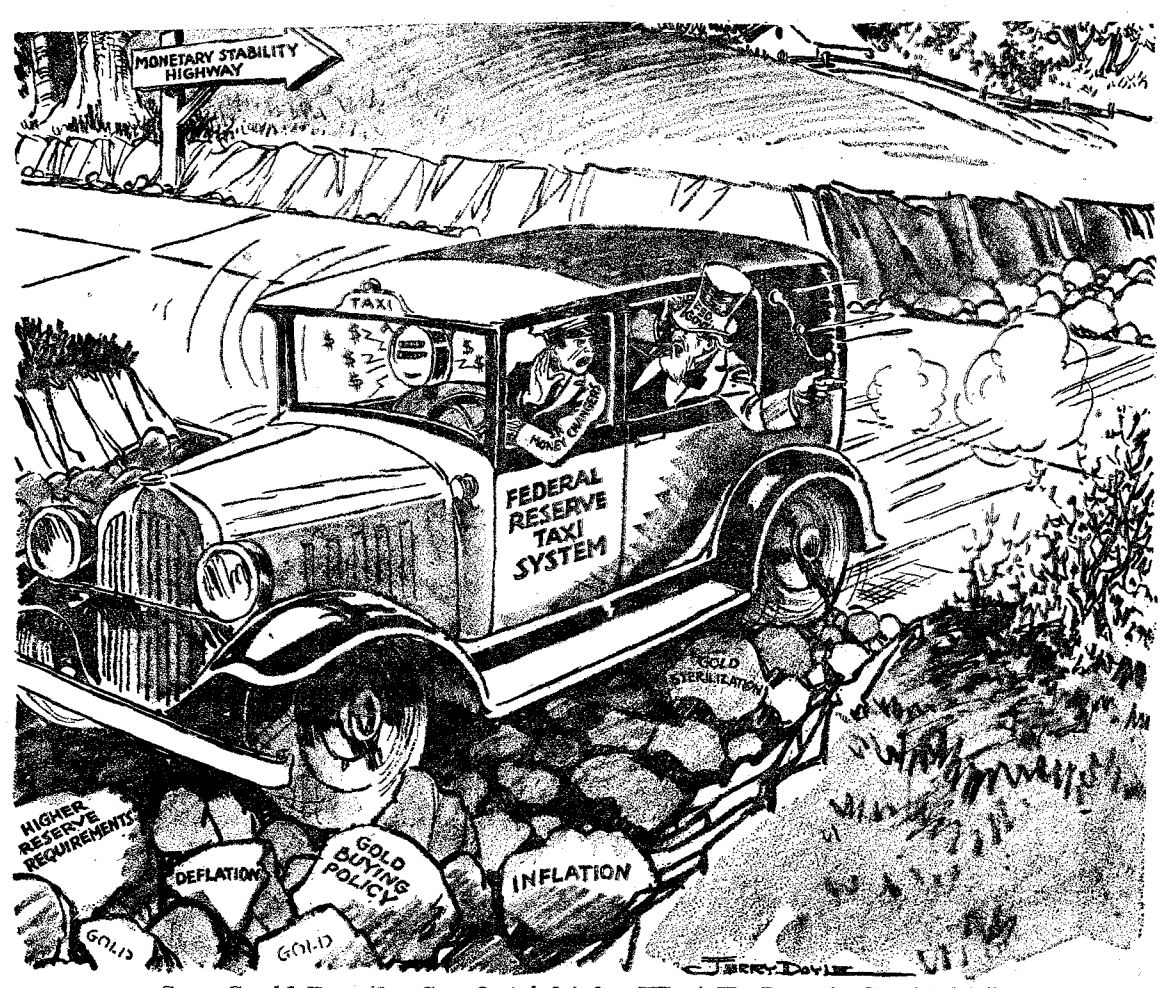
Nation's Depression Deliberately Planned

SOCIAL JUSTICE does not ask the reader to take its word for the starting exposures to follow in this series of articles. It shall endeavor to substantiate its assertions as far as possible with authenticated facts.

It is now known, for example, that the big bankers and the Federal Reserve Board **played the game of planning the depression with deliberate coolness and diabolical intent.**

The story of their activity is told in part by Representative Finly H. Gray, of Indiana, speaking on the floor of the House of Representatives, May 2, 1933, and never denied —Congressional Record, 73rd Congress, 1st Session, Page 2739 :

"Following an apparent trivial amendment passed by Congress on April 13, 1920, amending section 14 of the Federal Reserve Act, the section taking the control of money away from private bankers and financiers and placing that control in the government, a secret bankers' meeting was held May 19, 1920, in Washington, D. C., behind closed doors and closed curtains and under the very shadows of the Capitol. And in the name and style of the 'orderly deflation committee of the American Bankers' Association,' a secret resolution was passed declaring for the contraction of money and credits, and then they folded their tent and as silently moved away.



Sam Could Buy the Car Outright for What He Pays in Taxi Bills"
—Jerry Doyle in the Philadelphia Record

Plot Kept Secret For Two Years

"No one knew of the meeting. No one then knew who attended. No one knew of the resolution passed. And for 2 years, 8 months and 4 days, this meeting was kept a guarded secret. But true to an old saying, murder will out. And on the 22nd day of February, 1923, the manipulating bankers and financiers became involved in a dispute and contention over certain Liberty Loan bonds affected by the resolution passed. And in revenge or in retaliation or for other cause, the proceedings of the secret meeting were published in the Manufacturers Record of Baltimore, Md. And for the first time the proceedings of this meeting and the names of the bankers attending were known to the outside world.

"When the curtain was drawn and the world looked in on the secret conclave of bankers, there could be read from the resolution passed the disguised, concealed hand of a secret gentlemen's agreement. Brushing aside the veiled preamble, the resolution passed and held in secret read:

" 'In their capacity as members of the orderly deflation committee of the American Bankers Association, they hereby agree to abide by the spirit of the address in their own affairs, and that they will encourage its general adoption by bankers and the people of the country.'

Money Taken Out of Circulation

"The bankers in secret conclave assembled did not say what they purposed to do, but pledged themselves to abide by and stand together to do it. The effect of this secret resolution passed at this banker's meeting was to secure and bind all bankers in a gentlemen's agreement for the concerted action and co-operation to make effective the control of the discount rate and the open-market operations immediately to contract and take out of circulation the money and credits of the country.

"Then, following further the amendment of April 13, 1920, and the secret bankers' meeting held May 18, 1920, in Washington, D. C., the Federal Reserve banks, under orders of the Federal Reserve Board, without notice or warning, with the people groping in the darkness, began the raise of the discount rate, raising the rates from 2 to 5 to 7 to 8 to 9 per cent, and until in some farm banks, the rates were raised as high as 85 per cent!

And with the co-operation of the open-market policy, the Reserve banks began selling bonds and securities, under the mechanism of the Reserve System, the money and currency of the country began to gather and flow back in a great swollen stream and current, until 1½ billions of currency was withdrawn from circulation in 8 months and reducing the volume and supply of credit over 10½ billion dollars. And under the law of money and the volume of supply in circulation, the value of money, the property of these manipulating financiers, was doubled and tripled in value.

Cost to Farmers Over $50-billion

"Under the same law of money, as the discount rate arose and bonds and securities were sold and money and credits withdrawn from circulation, commodities, values, and the price level fell, fell first upon the unsuspecting, the confiding unorganized farmers forcing down farm values and the price level and doubling and tripling taxes upon the farmer—doubling interest, debts, mortgages upon the farmers, measured in farm crops and products, the only means with which the farmers have to pay—and reducing by more than one-half the farmer's earnings and income and impairing his tax-paying power, destroying his interest and debt-paying power; and at the same time doubling, tripling, increasing and multiplying the value of the remaining money in circulation and the war-debt bonds and claims and all contracts and obligations payable in money, the property of the international financiers and the manipulating bankers."

The loss to the farmers alone on account of this deflation program, considering the drop in land values and low price levels, has been in excess of 50 billions of dollars, or nearly double the cost of our participation in the World war.

Nation's Second City Hopelessly Bankrupt

The bankers caused our appraised property values to drop from more than $300-billion down to $150-billion. They have ruined our nation. If you do not think so, just take a look at one of our major cities, the second largest in the United States, Chicago, which today is admitted by its own public officials to be hopelessly bankrupt. On May 1, 1932, there was an aggregate amount of $690-million due in taxes in Chicago and Cook County, of which $340-million has been past due since 1928, 1929, 1930, and 1931. With two-thirds of the value squeezed out by the deflating bankers, the tax-payers are paying a tax rate three times as high as it was before the deflation took place, that is why it is difficult if not impossible for them to pay their taxes.

There was a $520-million deflation in 1920. The race was on; the bankers adopted the deflation program. In less than a year they had withdrawn $520-million from circulation; that was in actual cash (currency, Federal Reserve notes) which was destroyed. In 1921 the same amount was withdrawn from circulation and destroyed in the same manner. Later withdrawals brought it up to a total of $2-billion, 900-millions at one time. And to these cash withdrawals must be added the withdrawals of the credit which are based on the cash; during a period of 15 months from the fall of 1930, and including the fall of 1931, the banks withdrew credits to the tune of more than $8-billions.

Considering that we had a total cash circulation of approximately $5-billion before the deflation program began, the withdrawals amounted to 40 per cent of all our cash. This left us but 60 per cent of our money with which to buy goods which it had cost 100 per cent to produce. The natural law caused price levels to drop. When the money is lifted out of one side of the scale, that side will go up, and the other side containing the price of wheat will go down. That is why $3 per bushel wheat went down to 17 cents. The index of commodity prices, compared to the pre-war index of 1, stood at 1.43 in 1920, but was hammered down under the pressure of the bankers' deflation program to .68 in 1931; this included a list of more than 550 different commodities including real estate.

Business Failures In U. S. Mount

In 1920 there were but 8,800 commercial failures in the United States. Following the withdrawal of $1-billion, 40-million in 1920 and 1921, and the destruction of this money by the Federal Reserve Bank, there were 16,500 commercial failures in 1923. The number of failures steadily increased under the deflation program and in 1931, there were 26,500; and 40,000 in 1932. This included some of the largest and oldest business concerns in America.

The reader can no doubt well remember that, and the "hard times" we have had ever since, euphoniously called the "depression."

This depression is not a mystery; it is a conspiracy, a deep-laid criminal plot. No pirates boarded a merchant ship to scuttle and sink the vessel, no highway robbers ever rode masked, no bandit burglars ever blew a safe with more deliberate criminal intent than the international financiers and bankers who maneuvered from afar or pulled the manipulating wires from behind closed doors and closed curtains, directing their tools and puppets in the secret bankers' meeting and on the Federal Reserve Board, fawning to do their will and bidding!

When the crisis fell upon the farming industry with the higher, normal valuation and price level, the farmers were selling not more than one-third of their crops with which to pay interest and taxes and leaving the other two-thirds or more with which to buy, take, and consume the products of the factory, mill, and workshop. But when money was secretly contracted, forcing down values and the price level, the farmers were compelled to sell all their crops and produce to pay interest and taxes, leaving them with no part of their crops and produce with which to buy and consume the products of industrial labor, destroying the buying and consuming power of 40 million farm population and dependents.

And the wheels of industry slackened and slowed down and brought unemployment to industrial labor, and destroyed the buying and consuming power of another 30 million and their dependents, and the fatal circle of hard times, want, suffering, and distress in the midst of plenty and abundance was realized and complete.

Bankers Knew Power Of Secret Action

The published proceeding of the secret bankers' meeting shows it was held as a conference in the name of the Federal Reserve Board and advisory council, with action taken on a resolution assuming to be presented by the American Bankers Association. George L. Harrison, president of the Federal Reserve Bank of New York City was there.

(Continued on Page 15)

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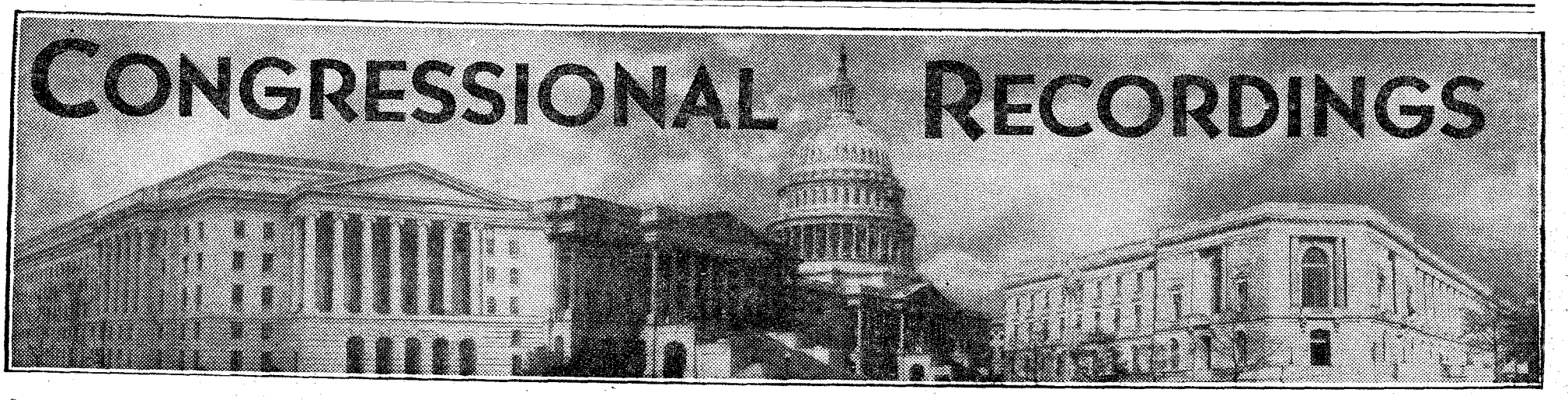

Labor Board Destroys Southern Industries

Destruction of Tupelo Mill Was Wrought By Board; Plan to Shut Up City

By Hon. John E. Rankin
Representative from Mississippi

I shall oppose appropriating another dollar for the expenses of the National Labor Relations Board until the representatives of the board cease their Communistic activity by which they are stirring up strife in every section of the country and especially in the southern states.

Rankin

There is no doubt in my mind about their conspiring with certain Communistic influences to destroy southern industries and in that way deprive southern labor of an opportunity to earn a decent living.

I cannot withhold my protest until the streets of southern towns and cities are stained with the blood of innocent people as a result of the activities of these irresponsible representatives of the so-called labor relations board.

The ruthless manner in which they helped to destroy and forced liquidation of the cotton mill in Tupelo, Miss., throwing all the employes out of work, and the brutal manner in which they now are trying to destroy the garment factories in that city is enough to stir the people of my state to revolt.

I have affidavits from responsible people in Tupelo to the effect that **these representatives of the so-called labor relations board boasted that they were going to close every ——— ——— factory in the city before they quit, and that when they got through with it there would be no Tupelo left.**

If that isn't Communism run riot, I don't know what to call it.

They are flouting the law, stirring up strife, cutting the throat of organized labor and doing this administration more harm than all other influences combined.

They will never get another dollar out of the federal treasury to finance such Communistic activities if I can prevent it.

Do Something To Aid Owners Of Our Homes

By Hon. Royal S. Copeland
Senator from New York

In this country at the present time 31,000 homes have already been lost through foreclosure under loans made by the H. O. L. C. up to April 1 of this year. Besides that, on the same date, 84,385 homes were authorized for foreclosure.

An Ohio newspaper of recent date stated that in the city of Youngstown alone, between 600 and 700 properties are being foreclosed.

A high official of the H. O. L. C. estimated that for 1938 more than 200,000 of the million-odd homes **in that one state** on which these mortgages have been placed, will be lost to the present owners by foreclosure.

We are giving away money, billions of dollars of money; but it is not expected that by generous treatment of home owners we shall lose the money of the government.

It is only an act of justice on the part of the Senate that it shall make possible the reduction of the interest rate on these loans, and if possible **to have retained in present ownership those places which have been called home**—than which there is no dearer place on earth.

Committee Told Only Half the Riot Story

La Follette Didn't Show Pictures of Strikers Assaulting Police In Chicago

By Hon. Clare E. Hoffman
Representative from Michigan

The Senate civil liberties committee has deliberately and maliciously failed to spread upon the record the true happenings at Chicago when John L. Lewis' organizers sent 10 of their dupes to their death at the Republic Steel Company riot.

La Follette

The committee whose intended purpose was to protect the civil liberties of those unable to protect themselves, has been used by its chairman Senator Robert La Follette, to vent his spleen against those who have provided jobs for workers.

The latest and perhaps most flagrant exhibition of the shyster methods and disreputable procedure of this committee, was its **failure to bring out the full story of what happened in Chicago.**

La Follette knew, as he must have known, that the operator who had taken motion pictures of the Chicago riot had pictures showing **the battle grew out of an assault upon the police.** But he deliberately and maliciously failed to spread these facts upon the record.

Charged with the duty of bringing out the truth, he showed but a part and only that part which reflected upon the police force of Chicago. To serve his political friends, La Follette made a disreputable assault upon the forces of law and order.

He fraudulently attempted to conceal the truth. He covered up the fact that the police were acting in self-defense, that the riot and violence was started by the Communist led strikers **who already had their first aid stations established when they made their fourth march on the police.**

Words have not been coined which would accurately describe the depravity to which this man LaFollette has descended in his effort to aid his Communist bedfellow, Lewis, and hamper industry.

The pirates of old were kid-gloved, honest merchantmen compared to the members of the civil liberties committee and the national labor relations board.

Forget Norway Treaty And Save U. S. Farmers

By Hon. Walter M. Pierce
Representative from Oregon

The State Department is, under the Reciprocal Trade Act, considering a trade agreement with Norway. Until this act was passed in 1934, all treaties were ratified by the Senate. Now trade treaties or agreements are made by the State Department, independently of the Congress.

Under this system farmers have been sacrificed for the benefit of industry. Foreign agricultural products have been given our markets in exchange for foreign markets for American automobiles and adding machines.

Our friends in Norway seek to have the United States, through a reciprocal trade agreement, admit to our markets millions of pounds of whale oil to be sold here in competition with the products of the farmers of America. Their whale oil is a substitute for our lard and tallow and it is used for soap, as a butter substitute in oleomargarine, and for many other commercial purposes.

A low-tariff wall of 3 cents a pound on certain foreign fats and oils was erected by Congress in 1934. Shall we allow the State Department to breach that wall for the purpose of the hardy Norwegians **if it will work injury to our own farm people who have been so hard-pressed since 1920?**

This year we look for a 200-million pound-production of corn oil, a source of great profit to farmers. Peanut-oil production has increased since 1933 from 12½ million to more than 70 million pounds.

Every pound of these oils produced in our country has meant money to American farmers, and the farmers have put that money into circulation for the benefit of industry and business. On the contrary, every pound of the foreign fats and oils landed on our shores, benefits a competitor for our production and for our money. Are our farmers in a position to allow that unfair competition to rob them of much-needed income? That 3 cent tax has helped to build up the oil and fat industries of this country.

Why should we Americans deny ourselves this advantage for the benefit of any European country? Why not continue to demand that any necessary imports should come over the low protective wall of 3 cents a pound?

Is Authority Assisting 'March' on Washington?

By Hon. Charles A. Halleck
Representative from Indiana

It has been more than two weeks since the Boy Scouts departed from Washington, and Army tents still dot the scenery from Hains Point up to and around the Washington Monument. Very few have been removed, some have blown down. There is every evidence that vagrants are taking possession of the camp and that they are rapidly undoing the good order in which the Boy Scouts left the camp.

An inspection made as recently as last night reveals that many of the tents have been heaped in piles under other tents to mildew and deteriorate. These tents and other equipment cost the taxpayers of this nation a large sum of money.

While no one will complain of the use of the equipment by the Boy Scouts, it is fair to say that the equipment is now being carelessly handled.

Why has this huge amount of Army equipment been left standing for such a length of time?

Perhaps we can find the answer to this and some other current questions in a news release from the Workers' Alliance of America, issued from their Washington headquarters under the date of July 22:

"The largest gathering of unemployed in Washington in recent years will be seen on August 23, when the national job march, sponsored by the Workers' Alliance of America, arrives here."

The release further states that—

"Four main columns and 10 auxiliary columns of auto caravans leaving cities from the Atlantic to the Pacific, will move across the country to converge in Washton.

"Practically all of the job marchers will travel in old cars, the finances being raised by the 2,500 local units of the alliance, from trade unions and other friendly organizations, and contributions from merchants, city and state official bodies. Many of the units will have special children's detachments, others will have women's and youth detachments."

Another paragraph reads—

"To house the marchers in Washington an appeal will be made to the Quartermaster Department of the United States Army for use of the tents and other equipment used by the Boy Scouts Jamboree. This equipment is still in Potomac Park in Washington. An appeal will also be made for army rations in order to feed the thousands of job marchers."

None of us can deny to any citizen of this country his right to petition Congress for a redress of grievances. But it must be borne in mind that the relief appropriation for the coming year has already been made by Congress. The amount provided in the bill as finally passed was suggested by the President of the United States as being adequate. The Congress fixed the amount after long and careful investigation and debate.

In spite of the fact that every one knows that there are no jobs available in Washington, the press release states:

"If you want your W. P. A. job back, march with us. If you are unemployed and want a job, march with us. If you are sympathetic to our desire for jobs, contribute and help us."

If communications reaching me from farmers of my state, and reaching other members of Congress from the farmers of other states are true **there are more jobs available in harvest fields of the west and mid-west than there are in Washington.**

Many of us have received communications from farmers complaining of the shortage of farm help. They say that the W. P. A. and other governmental agencies are keeping men from the farms. While farm work may not, in the eyes of some, be the most desirable work in the world, it has always and will today provide honest employment at reasonable wages for a great substantial number of people.

The tents are still up in Potomac Park.

The marchers will soon be here in Washington to put the pressure on the President and Congress, though it is probable that Congress will not be here.

Is it possible that someone in authority has permitted these tents to remain in Potomac Park so that they might be available for the use of the marchers; or in fact, **to encourage the marchers to come to Washington?** I present this question in all seriousness and in the earnest hope that undue and unnecessary hardship and privation shall be avoided, trouble prevented, and the integrity of the government maintained.

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Organization, Not Oratory Needed by Councils Now

IT has come to our attention that, despite warnings to the contrary, politically-minded persons are insinuating themselves into the ranks of Social Justice Councils.

As a result, good, honest persons are deterred from joining Social Justice Councils and others are stepping out of the organization. It is necessary, therefore, to reiterate what was said before, namely, that no politician be permitted to find a place in a Social Justice Council group.

Another abuse that is already manifesting itself is the following: In some instances long-winded speakers have taken it upon themselves to occupy the floor at Social Justice Council meetings. This organization is not an oratorical society. If such speakers desire to exercise their lungs, let them go and hire an audience, or else refrain from offending the ears of their fellow Social Justice Council members.

Speakers Must Have Approval

No speaker should be permitted to harangue a Social Justice Council meeting on any subject whatsoever unless he has written permission from the National Co-ordinator in those districts where National Co-ordinators have jurisdiction, or from the temporary moderator in those districts where, as yet, no National Co-ordinator has been appointed. The contents of the speech should be prepared and approved.

A third abuse has already manifested itself at some meetings. Quarreling, bickering, slander and uncharitable remarks have been reported to Father Coughlin as emanating from three or four politically-minded Social Justice Councils in New York state. On this subject, bear in mind that our organization is composed of Christians who obey the first law of Christianity, which is charity.

If a member of a Council cannot be charitable, patient, kind and peaceful; if he must parade himself as one who attempts to defend Father Coughlin by assaulting other priests or persons, that individual had better withdraw his affiliation to a Social Justice Council.

Organization Not Oratory

Be it repeated that this is the period of organization and not oratory. This is the period of sealing our mutual friendships. This is the period of engaging the services of honorable Christians who love one another.

This is not the period for creating dissensions. **That day must never come.**

As soon as word comes, either to a National Co-ordinator or to Father Coughlin, that these admonitions are not being carried out in any Social Justice Council group, it will be necessary to advertise that group as an unwelcome unit in the social justice movement.

C.I.O. Letters To be Available In a Pamphlet

It has been brought to our attention that certain daily papers have printed substantially the following: **"Father Coughlin says that no Catholic can support the C. I. O."**

Father Coughlin made no such statement. In the last three issues of SOCIAL JUSTICE he has written a series of articles which bore the caption: "Can Christians Support the C. I. O.?" Father Coughlin refused to draw a conclusion or to give an answer to his own question. The answer is left to the decision of the reading public.

If any newspaper reporter or editor has come to the conclusion that Catholics cannot support the C. I. O. and has ascribed these words to Father Coughlin's pen, an undue liberty has been taken.

The three articles referred to are of such importance and are arousing such comment that it has been decided by SOCIAL JUSTICE to publish them in pamphlet form. Moreover, it is advisable for all those reading this notice either to re-read the articles printed in SOCIAL JUSTICE or to secure pamphlets containing under one cover the entire series of articles.

The original articles were addressed to the ecclesiastics of America. They contained information which the ordinary clergyman would find difficulty in acquiring.

All those who desire five or more pamphlets for distribution among friends, kindly apply directly to Father Coughlin, Royal Oak, Michigan.

Social Justice Council Notes

An insidious rumor has it that Miles Hayes national co-ordinator of Social Justice Councils in New England, was "involved in the shady dog racing exploitation which is preying upon the people of Massachusetts."

This rumor is totally unfounded. Leland C. Bickford, editor-in-chief of the Yankee Network News Service, assures us that Miles Hayes has rendered yeoman service in curtailing the activities of the dog racing.

Martin Hays, a non-Christian and who has been a member of the Massachusetts legislature for 26 years, was the "Hays" around whose name the clouds of rumor are gathering.

Massachusetts has the opportunity, through Social Justice Councils, of ridding the Bay State of the crooked so-called sport known as greyhound racing.

Many politicians in Massachusetts are under the complete sway of the dog racing lobby.

The Colonial Network News Service together with Miles C. Hayes, national co-ordinator of Social Justice Councils, are organizing a campaign to drive the racket into Boston Bay where it belongs with the tea which the original patriots dumped into the harbor.

Despite the protests of Miles Hayes, of Leland Bickford, and John F. Fitzgerald, former mayor of Boston, the director of securities of the public utilities commission has ruled in favor of the dog track corporation.

Public utilities in many states are better characterized as "public futilities."

A similar racket was attempted in Michigan under Governor Frank Murphy by his New Dealocrat state legislature. The Michigan Senate obstructed the unsocial legislation which is not only steeped in graft but which was intended to snatch the quarters and half-dollars from the pockets of the laboring class and high school boys.

In Pennsylvania

In addition to the list of Pittsburgh dealers published recently, **SOCIAL JUSTICE** is readily obtainable through any of the following enterprising salesmen in out-state Pennsylvania cities:

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Wilkes-Barre—
Mr. Harvey R. Everett,
225 Taft St.
J. M. Gaynor,
302 E. Market St.
Pat Cullen's Newstand,
Inside Public Sq. and East Market St.

Back Issues Of Paper Fast Disappearing

SOCIAL JUSTICE readers who are missing back issues in their files, may in many instances secure them from bulk distributors in their own city.

In Battle Creek, Mich., Mrs. Lyvernia Newhouse of 93 Brook Street, reports that she has a number of back issues on hand for the convenience of SOCIAL JUSTICE subscribers in that vicinity.

Mr. Philip Bettag of 917 Racine Avenue, Louisville, Ky., offers to deliver or mail back copies of SOCIAL JUSTICE to any readers in his locality who may desire them. He may be reached by calling Magnolia 7527-J.

Richard A. Palmer of Minneapolis, Minn., who has handled 22,000 copies of SOCIAL JUSTICE since it began publication, is also in possession of a few back copies for readers who would like them. Mr. Palmer has no more copies of Volume 1 of SOCIAL JUSTICE, but can supply a few copies of almost any issue after August 1, 1936. His address is 2007 Fourth Avenue South, Minneapolis.

Astoria, N. Y., readers of SOCIAL JUSTICE who may have missed a copy, may secure it by contacting **Bartly Carr, 2250 21st Street.** Mr. Carr has offered to mail copies to subscribers in other cities who write to him, as long as his supply lasts.

Office Supply Low

A similar stock of back numbers are carried by the following:

Chicago, Ill., Joseph Gregg, 137 South Whipple Street.

Joseph M. O'Dea General Delivery, Cedar Lake, Ind.

The circulation department of SOCIAL JUSTICE urges readers in the localities listed to secure their extra back copies from these bulk dealers whenever convenient, since the supply on hand in this office is extremely limited, and extra copies of many editions have long ago been completely exhausted.

Donations From Shrine Tour

Reverend and Dear Father:

I am enclosing check for $30 equity on the excursion to Royal Oak last Sunday. We had 99 passengers, outside of passes, and I took particular notice that 85 per cent of the train passengers were old folks who did not care to ride any other way. I wish to extend my thanks for the wonderful support given me in making this tour successful. If possible I would appreciate an acknowledgment of the enclosed check so that passengers on the tour can read about the donation given.

—**Ernest A. Hartman.**

Chicago, Ill.

Donation Acknowledged

To the Editor:

During the month of April several of us got together and arranged for a dance to help raise some funds for Father Coughlin's broadcasting. We found a large number of the most active workers in the previous year had become quite apathetic and we decided to make the dance a sort of test affair. It was fairly successful.

Mrs. Krikorian, the treasurer, sent the donation — $190.46 — and the same was gratefully acknowledged by letter, but due to the absence of any organization and the fact that many of the donors would not get to see Mrs. Krikorian, we told the people we would request an acknowledgement in the colums of our newspaper SOCIAL JUSTICE.

—**Martin Feely.**

New York City.

Bronx Group Assures Loyalty

Dear Father Coughlin:

The Pope Pius XI Study Club extends a big vote of thanks to you, and the editorial staff of SOCIAL JUSTICE, for the splendid write-up given the club in the June 21 issue.

We will do our utmost to interest others in the finest newspaper ever written—SOCIAL JUSTICE.

—**Miss Mary Strong.**

New York, N. Y.

Rhode Island Salesmen

To the Editor:

Would it be possible for Social Justice to print a list of my sellers who handle the paper each week? They are Ryan's News Store, Times Square, Fred Daley on the corner of Main and Broad, Mr. Murphy near Public Market, the newsstand corner of East Ave. and Main, Charles McGeehan, 31 Webster Street and Mr. Eben Keith 104 Japonica Street.

—**Samuel Thomas.**

Pawtucket R. I.

Some Editorial Confidences

WITHIN THE LAST WEEK marked copies or clippings of quotations from the columns of **SOCIAL JUSTICE** have come to the editorial desk from no fewer than 11 publications—including two in Australia and India. While the staff is naturally proud of this recognition, it is a matter of information that readers should know. For **SOCIAL JUSTICE** continues to be **YOUR** newspaper.

Grateful acknowledgment is made of the many letters of criticism and comment that have come from readers everywhere; more always are desired.

YOUR SUBSCRIPTION EXPIRES on the date indicated by the small figures which appear each week just under the address on your mailing label. For example, if the figures on your paper this week are "8-37" your subscription expires in August, 1937, which is to say it has expired. A subscription coupon is printed each week for your convenience in renewing or obtaining a new subscription.

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Can Christians Support the C. I. O.?

Part III of An Open Letter to the Clergy

YOUR Excellencies, Very Reverend Fathers and Confreres:

In the previous portions of this letter direct and accurate reference was made to certain official documents which had a bearing upon the C.I.O. and its activities. Nevertheless, no conclusive evidence was presented to permit an uncontradictable answer to the question which captions this article.

In this final contribution, permit me to pass to an analysis of the nature of the C.I.O. and to an indirect criticism of it contained in Pope Pius XI's letter on **"The Reconstruction of The Social Order."**

By way of transition, may I quote from a speech made by E. H. Dowell delivered July 9, 1937. (Mr. Dowell is the West Coast district leader of the American Federation of Labor.) He says that "the United States Department of Justice in Washington, D. C., has in its possession checks totaling $750,000 from Communist sources to John L. Lewis to assist in organizing the C.I.O." This charge has been neither denied nor confirmed by the Department in Washington.

Coming from such an eminent source as the American Federation of Labor's official spokesman and making such specific charges as does this gentleman, the accusation cannot be brushed aside lightly. Nevertheless, cold logic does not permit us to race to a conclusion on the strength of that statement.

Similar charges and facts paralleling those contained in last week's issue of **SOCIAL JUSTICE** can be multiplied tenfold. But cui bono? After all, the nature of the C.I.O. must be analyzed to help us arrive at a logical decision. All the foregoing should be considered more or less as circumstantial evidence.

As to the nature of the Committee for Industrial Organization, everyone recognizes the salient fact that it is a vertical union whose members are made up of all types of workingmen. In the automobile industry, for example, carpenters, electricians, plumbers, die-makers, glazers, painters, draftsmen, stenographers, etc., are members of the U. A. W. It is not made up of vocational groups.

The second outstanding fact is this: The purpose of the organization known as the U. A. W. is to obtain the sole bargaining right in the automotive industry. It is thereby a syndical organization.

The third fact which it is necessary to weave into this fabric is that the federal government, by virtue of the Wagner legislation, supports the sole bargaining demand of the C.I.O. through its affiliate, the U. A. W. Thus, the government both as government and as a political party supports the syndicate.

The fourth indisputable fact is that the C.I.O. already has a political slate in Michigan and is rapidly evolving into a political party in the United States. This means that a government which happens to be a political party endorsed by the Communist party, by the Socialist party and by the Labor party is either evolving into a C. I. O.-controlled party or is about to be challenged by the C.I.O. political party.

Permit me, at this juncture, to rehearse certain paragraphs of **"Quadragesimo Anno"** with which you are fully acquainted and which bear on the facts cited above:

"Social legislation must have as its aim the re-establishment of vocational groups. As long as society remains in a strained, unstable and uncertain condition, being founded on classes with contradictory interests which are opposed to each other, these classes will be prone to enmity and strife . . . There cannot be question of any perfect cure (of the social disorder) except this opposition between labor and capital be done away with. New organizations must be called into being. Vocational groups, composed of men organized not according to the position they occupy in the labor market but according to the diverse functions which they exercise in society, must be established.

"Just as nature induces those who dwell as neighbors to unite into municipalities, so these who practice the same trade or profession, economic or otherwise, should combine in vocational groups.

"The same liberty must be claimed for the founding of associations which extend beyond the limits of a single trade. But these free associations should make it the goal of their endeavors, in accordance with Christian social doctrine, to prepare the way and do their part towards the realization of the ideal type of vocational groups which we have mentioned above."

IN the above quotation His Holiness is very explicit as to the aim of establishing vocational groups. Likewise he is especially concrete in stating that these vocational groups are not vertical groups. They are composed of men, as he says, "who practice the same trade, or profession, economic or otherwise." Certainly a carpenter is not a glazer and a painter is not a plumber.

While His Holiness admits in the above quotation that liberty should be extended to workingmen to join in labor associations which go beyond the limits of a single trade, nevertheless, he has clearly defined that Christian social doctrine has for its goal the establishment of vocational groups.

The above comment, while not a direct challenge to the structure of the U. A. W., nevertheless, is an indirect and unfavorable criticism of it insofar as it has no intention of establishing workingmen in vocational groups and insofar as it has widely advertised that the vertical union and not the vocational union of workingmen is the objective of its organization. To support this last statement, every person in Michigan recognizes that the C.I.O., through its affiliate, the U. A. W., is opposed to vocational groups in the automotive industry.

Kindly permit me to present another quotation from **"Quadragesimo Anno"** and to comment upon it insofar as it has bearing upon the C. I. O. This quotation deals with the sole bargaining aspect of the vertical union and likewise has a direct reference to the political activities of the C.I.O.

In speaking of the corporative state, His Holiness says:

"In a corporative state, the state grants legal recognition to syndicates, or unions. The state confers on them some of the features of a monopoly and says that they alone can represent, respectfully, workingmen and employers; they alone can conclude labor contracts and labor agreements.

"Be it said that affiliation to the syndicate, or union, is optional for every person. But be it further said that this option or freedom to join or not to join the union is the only freedom the individual has because (whether he joins or does not join) he must contribute to the union and pay other special obligatory taxes and also must abide by the labor contracts drawn up . . .

"These corporations are composed of representatives of unions or workingmen and employers of the same trade or profession. As recognized and real organs and institutions of the state, they direct and coordinate the activities of the unions in all matters of common interest.

"In the corporative state, if the workingmen and the employers cannot come to an agreement, public authority intervenes. This brings about peaceful collaboration of the classes, repression of socialist organizations and the moderating influence of a special ministry (or labor board).

"Nevertheless, there are some who fear that hereby the state is substituting itself in the place of private initiative, instead of limiting itself to necessary and sufficient help and assistance. Moreover, it is feared that these new syndical and corporative institutions possess an excessive bureaucratic and political character and that they tend to serve particular political aims instead of contributing to the initiation of a better social order.

"We believe that to obtain a better social order and not risk serving particular political aims, so that a permanent advantage of the commonwealth will result, there is need, first of all, for the blessing of God; and secondly, for the co-operation of all men of good will.

"We believe, moreover, that the end intended will be more certainly attained if contributions will be furnished by men of technical, commercial and social competence. We believe, above all, that this end will be attained by Catholic principles and their application.

"Thus, we look for this contribution, not to a Catholic action which displays any syndical or political activities. We rather look to our sons whom Catholic action imbues with these principles and trains for the apostolate under the guidance and direction of the Church."

In the above lengthy quotation there is a plenitude of food for thought. While he does not condemn explicitly the syndical union composed of employers and employes for enjoying the sole bargaining right, nevertheless, His Holiness mistrusts syndical unions with the sole bargaining right because they tend towards the setting up of a political bureaucratic government. He mistrusts them because they leave so little freedom to the workingmen. He mistrusts them because they are liable to be more concerned with political power than with the welfare of the workingmen.

Please bear in mind the nature of a syndical union. Please remember that such a union is one with the sole bargaining power or monopoly enjoying the legal benediction of the state and operating under a branch of the executive government of the state.

THE reason why His Holiness mistrusts such syndical unions is plain to every observer. In Italy the corporative state is a one-party government bureaucratically controlled.

In Germany the semi-corporative state is likewise a one-party government bureaucratically controlled. In both instances the bureaucratic government appears to be wedded to the thought that no salvation for the workingmen can eventuate unless a definite political party holds power. It further appears that any opposition to that political party is stigmatized with disloyalty, with treachery and with danger to the well-being of all.

It is needless for me to remind you that such a political mentality as described in the above paragraphs is unsound. Moreover it is almost beside the point for me to remind you further that such a bureaucratic government as existing under a corporative state has, in every instance heretofore, degenerated into a dictatorship characterized by a government of man and not by a government of law.

No wonder His Holiness mistrusts such syndical labor unions when he has so frequently emphasized the necessity of a juridical government for the salvation of labor—a government of law where the law courts are independent in their decisions of the executive.

For the above and other reasons, Pius XI suggests that we pursue a better way in approaching this entire subject related to the uplifting of the proletariat. It should be a way "that does not risk serving particular political aims." It should be a way "which has a permanent advantage of the commonwealth in view." It should be a way "that is initiated by the blessing of God." And, finally, it should be a way "in which there will be the co-operation of all men of good will.''

IN conversation with some of my fellow clergymen, it has been said: "The C.I.O. is the only labor organization doing anything for the workingmen. Why do we not get back of it and help it?" Without committing myself, for the moment, in condemning or in praising the C.I.O., it is necessary to state at this juncture that it is the business of Christians to support only those or-

(Continued on Page 10)

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The Pope Speaks Officially...

The Indictment of Modern Capitalism - - ChapterVII

In order that the encyclical "On the Reconstruction of the Social Order" by Pope Pius XI might be more readily comprehended by the lay reader, SOCIAL JUSTICE is reproducing this famous letter ("Quadragesimo Anno") in question and answer form. The questions are stated by Father Coughlin and the answers in every case are directly quoted words of His Holiness.

1. Are the Popes opposed to capitalism, or do you condemn capitalism as a system of political economy?

No. Leo XIII's whole endeavor was to adjust this economic regime to the standards of true order. Whence it follows that the system itself is not to be condemned.

2. Although your Holiness distinguish capitalism from modern capitalism in the next few questions; although you indict modern capitalism on several points, what do you say, in general, is the chief criticism against capitalism as it exists today?

It violates right order whenever capital so employs the working of wage earning classes as to divert business and economic activity to its own selfish will and advantage without any regard for the human dignity of the workers, the social character of economic life, or social justice and the common good.

3. To be sure that we are not misinterpreting you or misconstruing your words when you criticize the present economic system, are you specifically referring to capitalism?

Yes. It is the capitalist economic regime that, with world-wide diffusion of industry has penetrated everywhere. It has invaded and pervaded the economic and social sphere, even of those who live outside places where it actually operates, influencing them by its advantages, its inconveniences and its vices.

4. Please be specific and inform us of these vices and inconveniences which have been caused by modern capitalism.

First of all, it is evident that in our day not alone is wealth accumulated, but immense power and despotic economic domination are concentrated in the hands of a few individuals. These few individuals frequently are not the owners of this wealth, but only the trustees and directors of invested funds. These few administer these funds at their own good pleasure.

[Note: His Holiness is referring to corporations, sometimes called "soulless." The directors of these corporations maintain that they are working for the profit of the stockholders and for the stockholders only.]

5. Well, then, isn't it possible to rid ourselves immediately and directly of this concentration of power and of wealth?

No. This power becomes particularly irresistible when exercised by those who, because they hold and regulate money are able also to govern credit and to determine its allotment. Because of this power over money, these persons supply, so to speak, the life blood of the entire economic body. They grasp, as it were, in their hands the very soul of production (because they control money and govern credit). Moreover, as a result of this power which they have, no one dares breathe against their will.

6. This is a serious indictment. Your Holiness virtually says that it is impossible to decentralize wealth, to abolish poverty, to normalize industry and production because a few men hold and control the power over money and regulate credit. Because of this financial power which these men obtain through the private creation and regulation of money, what other evils are enumerated under the caption of modern capitalism?

The accumulation of power (the characteristic note of the modern economic order) is a natural result of a limitless, free competition which permits the survival of those who are the strongest. Oftentimes, this means that those who fight most relentlessly and who pay the least heed to the dictates of conscience, are those who survive.

7. If the concentration of power has been possible through the private creation of money and through the private regulation of credit, to what does this concentration of power lead?

It leads to a three-fold struggle. First, there is the struggle for dictatorship in the economic sphere itself (sometimes called the monopolization of industry). Second, there is the struggle to acquire control of the nation, so that its wealth and political power may be abused in the economic circle. Thirdly, there eventuates international warfare.

8. But how does this international warfare arise from this cause that is traceable to the concentration of wealth—a concentration that is irresistible, as you say, when money and credit are controlled and regulated by private individuals?

It arises from two causes: First, the nations (namely, the few individuals who control the nation as a result of controlling money) apply their power and political influence to promote the economic advantages of their citizens (whom these few individuals already control). Second, economic force and economic domination are used to settle political or diplomatic controversies existing among nations.

9. But is not this free competition?

Absolutely no. Free competition is dead and economic dictatorship has taken its place (under modern capitalism). This economic dictatorship is the final resul tof the individualistic (or capitalistic) spirit in economic affairs.

10. That is a severe criticism of modern capitalism. Nevertheless, we admit that Your Holiness is correct. Has Your Holiness anything else to say in characterizing modern capitalism?

Unfortunately, yes. Unbridled ambition for power or domination has now taken the place for the desire to profit. The whole economic life has become hard, cruel and relentless in a ghastly manner. By intermingling and by scandalously confusing politics with economics (e. g. playing politics with misery; establishing doles to get votes), there have been produced crying evils which have gone so far as to degrade the majesty of the state.

The state, which should be intent only upon justice and the common good, has become a slave bound over to the services of human passion and greed. There have arisen in our midst, from this one poison spring, a detestable economic imperialism, together with a no less detestable international imperialism in financial affairs.

11. Is there, then, such a thing as international bankers?

I repeat, there is a detestable international imperialism in financial affairs which holds that where a man's fortune is, there is his country.

12. Your Holiness has struck hard at national financialism, at the exploitation of the poor, at the concentration of wealth, which you said is an "irresistible" condition as long as money and credit are controlled and regulated by a small group of private individualists. What, then, may we ask, is the remedy for all this?

In previous chapters we have exposed the remedies for these grave evils. Briefly, they are recalled in the following sentence: Since the present economic regime is based mainly upon capital and labor, it follows that the **principles of right reason** and **Christian social philosophy** regarding capital, labor and their mutual co-operation, must be accepted in theory and reduced to practice.

In the first place, capital and labor have a double character. They are both individual and social. Thus, the mutual relations existing between capital and labor must be determined according to the laws of the strictest justice supported by Christian charity.

Free competition and economic domination must be kept within just and definite bounds. They must be brought under the effective and reasonable control of the government.

The public institutions of the nation (factories, industries, banks, etc.) must be such as to make the whole human society conform to the common good by which is meant, to the standard of social justice.

If this is done, the economic system, which is the most important branch of social life, will necessarily be restored to sanity and right order.

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Father Coughlin's Letter to the Clergy . . . Continued

(Continued from Page 8)

ganizations which are in perfect harmony with the best thought of Christ's Vicar on earth and refrain from supporting those other organizations which His Holiness directly or indirectly challenges either for their actual unsoundness or for their potential and inherent weaknesses.

Why not, therefore, support the best society, organization or union which was ever established in this world? I refer to a society, an organization and a union which is composed of all good men of good will. Definitely, I refer to the mystical body of Jesus Christ which is animated by the Holy Ghost, the Spirit of Truth.

It is forbidden for Catholic action to organize syndical unions. It is forbidden for Catholic action to organize political parties. But it is advocated that our sons propagate the doctrine of the mystical body.

As you are invited to re-read the quotations from the pen of Pius XI, I am not even insinuating that we should be opposed to labor unions aiming to co-ordinate workmen in vocational groups, nor am I intimating that the exploitations of the poor which resulted from individualism, or modern capitalism, should be preferred even to the activities of the C.I.O.

While it is a laudable thing to witness so many members in the hierarchy and in the priesthood zealously defending the right of labor, I trust that I am not too bold in stating that it would be more praiseworthy if a genuine endeavor was launched to associate all "men of good will" in an organization which would impress upon the minds of the laboring men that they are not mere chattels but members of that mystical body so beautifully expounded in the Ephesians, in the Colossians, in the works of the Fathers of the Church, in the "Summa Theologica" of St. Thomas and, especially, in the gospels of Jesus Christ.

AT the outset I promised that I would draw no conclusion. To this promise I am faithful. Perhaps the premises which I have presented are not sufficiently forceful to permit your fine intellects to arrive at a conclusion.

Nevertheless, this much is certain as far as my own mind is concerned: I do not propose to support a political labor party that is peculiarly a labor party. A government should exist for the welfare of all and should not be established upon class principle.

I do not propose to support an organization that is infiltrated with and so greatly dominated by neo-Communism, even though its leaders truthfully proclaim that they are not Communists.

I do not propose to support an organization that leads inevitably to a corporative state with its bureaucracies and its dictatorship.

I do not propose to support a program of social regeneration which does not embrace a program of eliminating the private issuance and regulation of money.

The words of Pius XI are always burning in my mind. The concentration of wealth and the exploitation of the poor are two evils which cannot be removed from our midst as long as the power of coining and regulating money is held in the hands of a few so that no one dares breathe against their will.

These contributions I humbly set before you, motivated only by the desire to save Christianity in America and to prevent the repetition in our country of the chaos which has overwhelmed Christian Mexico and Christian Spain.

Cordially and humbly yours
in Christ,

Charles E. Coughlin

Michigan Day At the Shrine To Be Aug. 22

Sunday, August 22, will be a memorable day in the history of the Shrine of the Little Flower in Royal Oak, Michigan.

The Sunday has been dedicated to the people of Michigan and it will mark the occasion of blessing the state stone of the great Peninsular State.

Father Coughlin extends a cordial invitation to all his friends and members of Social Justice Councils to be at the Shrine on Sunday, August 22.

Beginning at 10 o'clock in the morning there will be a Solemn High Mass sung by a vested double choir. Since the Sanctuary is centered in the middle of this mighty edifice everyone has an unobstructed view of the solemnities.

Sundays at Shrine

August 22—Michigan Minnesota, Wisconsin

September 5—National Day. (For all.)

From the northern communities of Bay City and Saginaw, from the industrial centers of Flint, Grand Rapids and Port Huron, and from the great metropolis of Detroit, will come citizens of every nationality and faith to view the beautiful edifice and share in the joyful solemnities of Michigan Sunday.

Father Coughlin will be present to extend a cordial greeting to everyone and will preach at the 10 o'clock High Mass. At 2 p. m. the state stone of Michigan will be blessed. An organ recital will follow immediately. The services of the day will close with Benediction.

Press Sale of Social Justice

In the establishment of Social Justice Councils, it is necessary to remind the various supporters that no expenses should be undertaken until authorized in writing by the National Co-ordinators or by the Senior Moderators with the approval of the National Co-ordinators.

Every Social Justice Council that is sincere at this moment will attempt to distribute bundles of **SOCIAL JUSTICE** newspapers, thereby acquiring funds for the conducting of business.

It is also suggested that Social Justice Councils approach the reverend clergy in the several parishes in their locality and ask the various pastors, either to assist in the sale of the newspaper, **SOCIAL JUSTICE** or else not impede well-behaved boys and girls from selling **SOCIAL JUSTICE** on the public property in front of the church.

Oftentimes police permission will be required to negotiate the sale of **SOCIAL JUSTICE** on public property in front of the church. This permission should be secured.

Michigan Day

SHRINE OF THE LITTLE FLOWER
ROYAL OAK, MICHIGAN

August 22, 1937

Tourists by automobile or train should arrange their schedule to arrive at the Shrine in time for Solemn High Mass at 10 a. m. The Michigan State stone will be blessed at 2 p. m.

Baltimore -- Washington Cumberland

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Pilgrimage to the Shrine of the Little Flower
Royal Oak, Michigan

August 22, 1937

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Government's Survey Shows Wage-Hour Bill Inadequate

'Fair Labor Standards" Measure One More Stone in Temple of New Deal Paternalism

By the Labor Editor

The "Fair Labor Standards Bill" is one more stone in the temple of paternalistic government.

That temple was built with the old N.R.A. which was "rotten" stone and crumbled when exposed to the glare of the Supreme Court.

That temple was built with the old Triple A, the illegitimate child of the United States Chamber of Commerce, left on the White House door step.

That temple of paternalism used as one stone the Security Act, well administered under its original executive, Joseph P. Kennedy, and since then used principally for the personal persecution of the supposed enemies of the administration.

That temple has used as another stone the Surplus Profits Tax, to deprive small business of its only source of credit with which to expand. Big business goes direct to the people with its issues of stocks or bonds. Big business has its banking affiliates. Only small business is plowed under by the act.

New Law Applies To 30 Million

That temple of paternalism uses the stone of the Social Security Act. This Social Security Act was passed to provide over $45-billions to finance an insolvent government for years to come.

The temple used other stones. The Federal Deposit Insurance is one. The Home Owner's Loan program, the Federal Housing plan, the Public Works and Works Progress systems are but additional stones in the temple of the new paternalism.

Suppose this nation were to pass a real "wages and hours" law!

There are approximately 50 million "gainfully employed" in the United States. If we exempt all those engaged in agriculture, in forestry and fishing, in the professions and all domestics, there remain over a million in mining, nearly 15 million in manufacturing, 4 mllion in transportation, over 6 million in trade, over 4 million in clerical postions and over 600,000 in the public service.

Here, then, are 30 million to which the law should be applied.

$16 a Week Is More Than They Get

Now let us take the minimum 40 cents an hour theory and the minimum 40-hour week theory to arrive at a minimum weekly wage of $16. That is $832 for a full year's work.

For the thirty million who might work under such a law the labor bill for a year would be $25-billion minimum.

If the remaining twenty million on the gainfully employed lists of the nation would fare as well, then the minimum labor wage would approximate $41-billion.

Yet this minimum wage is higher by millions than all labor received annually in the last six years!

In 1931 all the gainfully employed received $39-billion; in 1932 only $31-billion; in 1933, $29-billion; in 1934, $33-billion and in 1935 to all who were gainfully employed, including the wage earner, the salary earner, the professional man or woman, there was paid but $36-billion. The year 1936 approximated the minimum required under the new legislation.

Hopkins Show Sum Is Inadequate

While the Senate was voting on the measure, Harry L. Hopkins was publishing a survey of living costs in the United States. The study was written by Margaret L. Sticker, under the Research Division of the Federal Works Progress administration.

This study shows that a family of four needs $1,130 to maintain itself in the lowest cost city out of 59 cities chosen. That city is, of course, Mobile, Alabama. In poverty, Alabama is only exceeded by Arkansas, South Carolina and Mississippi.

Alabama has approximately 1,690,000 whites and 945,000 negroes. Alabama has 591,000 families, one-third of whom own wholly or partially their homes and two-thirds of whom are tenants. There are 4½ persons to every family in Alabama on the average. Yet this Mobile, Alabama, family of 4½, able to live on the lowest scale of American prices, needs $1,271.25 according to Harry Hopkins.

House Amendment Would Raise Minimum

While Harry Hopkins is reporting on the necessities, the administration is passing the Fair Labor Standards Act, asking that the minimum be placed at $832 for this family of four!

The group in the House of Representatives that will offer an amendment substituting 70 cents an hour in lieu of the 40 cents is at least thoughtful.

Under such an amendment the minimum wage would be $28 per week, or $1,456 per year.

Such a budget would provide mere maintenance in the city of Washington for a family of four — man, wife, a daughter 8 years of age and a son of 16 years.

As it passed the Senate, the bill is an insult to the poor, a reflection on statesmanship and proof positive that paternalism is the architect of the "New Deal temple."

Wage and Hour Bill Debated In British Parliament in 1844

In the May 24 issue of SOCIAL JUSTICE there appeared a story to the effect that while a federal bill would be framed to provide for higher wages, shorter hours, better conditions and other laudable objectives, so as to win wide approval in labor circles, its unconstitutionality was to be so adroitly arranged that the Supreme Court would have no choice but to throw it out. This, it was predicted, would result in turning the rank and file of labor to the support of the court critics' program. Whether the pending wage and hour bill is to fill this forecast remains to be seen.

To show that legislators have been similarly hoodwinked before, our research staff has come across the following debate in the British House of Commons in 1844. It shows how legislators, ignorant of economics, often vote for something that appears on the surface to be good for labor, but which upon analysis and application, actually does harm and favors big business at the expense of smaller enterprise, with subsequent unemployment in its wake. This, it will be recalled, was a major criticism of the recent N. R. A. experiment.

The debate quoted was on Lord Ashley's motion "to regulate hours of labor in factories," and took place on March 15, 1844.

Rt. Hon. Sir. J. R. G. Graham quoting Mr. Horner, General Inspector of Factories:

"I have made an estimate of the loss a mill would sustain from working 11 hours a day only instead of 12, and I find that it would amount to $4,250 per annum If it were reduced to 10 hours, it would amount to $7,650 per annum. Unless, therefore, the mill owner can obtain a proportionately higher price for the commodity, he must reduce wages or abandon his trade. I have made some calculations as to the probable reduction of wages and of the whole loss that would be thrown on the laborers. I make the amount in the case of 11 hours a day to be 13 per cent and in the case of 10 hours a day 25 per cent at the present average rate of wages."

Mr. T. Milner Gibson, (Liberal): "As the Rt. Hon. Baronet had alluded to the argument of not destroying the profits upon manufacturers, he should read some remarks upon that point by Mr. Senior, a gentleman whose name would be of great weight with honorable members. In 1836 and 1837, Mr. Senior, with some other gentlemen, went into the manufacturing districts with the view of ascertaining the effect of factory legislation, and make observations on the factory population. Mr. Senior wrote a letter of his findings dated March 28, 1837 to Mr. Poulett Thomson as follows:

"'Under the present law no mill in which person under 18 years of age is employed can be worked more than 11½ hours a day, that is 12 hours for five days and 9 on Saturday. The following analysis will show that in a mill so worked the whole net profit is derived from the last hour. I will suppose a manufacturer has a mill worth $500,000—$400,000 in his mill and machinery and $100,000 in raw materials and wages. The annual return of that mill, supposing the capital to be turned once a year and gross profits to be 15 per cent, ought to be goods worth $575,000, produced by the constant conversion and reconversion of the $100,000 circulating capital from money into goods and from goods into money in period of rather more than two months.

"'Of this $575,000, each of the 23 half-hours of work produces 5/115ths, or 1/23rd. Of these 23/23rds (constituting the whole $575,000) 20, that is to say $500,000 out of the $575,000, simply replace the capital, 1/23rd (or $25,000 out of the $575,000) makes up for the deterioration of the mill and machinery. The remaining 2/23rds, the last two of the 23 half hours of every day, produce the net profit of 10 per cent. If therefore (prices remaining the same) the factory could be kept at work 13 hours instead of 11½, by an addition of about $130,000 to the circulating capital, the net profit would be more than doubled. On the other hand, if the hours of working were reduced by one hour per day (prices remaining the same) **net profit would be destroyed**; if they were reduced by an hour and a half, even **gross profits would be destroyed.** The circulating capital would be replaced, but there would be no fund to compensate the progressive deterioration of the fixed capital.'

"It was clear that this principle of Mr. Senior's was sound; if the honorable gentlemen would consider it carefully, they would find it indisputable. The House ought to consider whether they would not, as the Rt. Hon. Baronet has expressed it, **be affecting the safety and stability of the great manufacturers under the impression that they were legislating humanely for the working-classes, while, as a matter of fact, the result would be that by the depreciation and liquidation of small manufacturers, the greatest possible injury would be inflicted upon the workers themselves."**

Labor Highlights

WASHINGTON, D. C.—Social Security Board officials estimate that nearly 21 million workers are now covered by the unemployment compensation laws of the 48 states, Hawaii, the District of Columbia and Alaska. The majority of the state laws specify that unemployment compensation funds shall be made up of contributions by employers only, although eight require employes to contribute and the District of Columbia adds a government appropriation to employer-employe contributions. In 44 states, the employer is required to pay 1.8 per cent of the wages during 1937, and 2.7 per cent thereafter. In four states, it is 2 per cent in 1937 and 3 per cent thereafter. Most of the 10 states requiring employe contributions specify 1 per cent of wages.

CLEVELAND, OHIO. — James P. Miller, regional director of the National Labor Relations Board, announces that the C. I. O. United Electrical and Radio Workers Union lost an employe representation election at the Lima, Ohio, plant of the Westinghouse Electric and Manufacturing Company by a vote of 680 to 385. Collective bargaining rights were to be granted to an employes' association.

WASHINGTON, D. C.—The United States Department of Labor reports that 4,500,000 man-days of work were lost during June as a result of strikes; 575 strikes started in June and 45 were carried over into July.

NEW YORK, N. Y.—Two thousand strikers at the Brooklyn plant of the Robbins Dry Dock & Repair Company, clashed with police who sought to protect automobiles carrying workers into the plant. Three men were arrested, following injuries to several. A mob then followed the prisoners to a police station and staged a sit-down in front of the building blocking traffic. Six more ring-leaders were arrested and the mob dispersed.

CLEVELAND, OHIO.—One striker was killed and scores injured in a five-hour pitched battle between C. I. O. pickets and workers at the Republic Steel corporation's Corrigan-McKinney plant. Demonstrations by 3,000 C. I. O. sympathizers preceded the battle when 500 workers rushed out of the plant and attacked the pickets.

SAN FRANCISCO, CALIF. — The 89 day old strike which has paralyzed hotels in San Francisco came to an end when six unions signed an agreement designed to preclude strikes or lockouts for four years and calling for preference of union employes in hiring. Nineteen major hotels had been closed since May 1.

WASHINGTON, D. C. — Senator Gerald P. Nye of North Dakota, told the Senate that he had reliable information to the effect that Edward F. McGrady, assistant secretary of labor, was insisting that the Apex Hosiery Mills of Philadelphia bargain with the C. I. O. representatives exclusively, despite the fact that the employes had voted overwhelmingly against that union. Nye charged that the labor board had disregarded the employes' wishes and had asked the management to accept C. I. O. spokesmen for the employes. McGrady when informed of the charge merely replied: "The Department of Labor is taking no sides."

WARREN, OHIO.—In a surprise defense move, seven C. I. O. union members of the Republic Steel Corporation's mill here pleaded guilty to charges of possessing and using explosives. The men had been charged with bombings in which railroad tracks were blown up and gasoline tanks near the Republic plant were endangered.

ELKINS, W. VA. — One hundred carpenters employed on the government million dollar Tygart homestead project stopped work because of mismanagement and waste. There was no picketing. The men just lolled about. In Washington, Milo Perkins, acting Resettlement Administrator, said he had advised the workers that they could use "any or all methods" to obtain what they considered reasonable. The men charged that $63.80 had been spent by the government to thresh 84 bushels of rye. The co-operative was formed shortly after the first of the homesteaders—drawn from unemployed woodsmen and miners—arrived in their new homes.

FLINT, MICH.—How the C. I. O. moves with ease across state lines was demonstrated recently when six tons of food was sent from Flint, to Warren, Ohio, to replenish the steel strike commissary, according to an announcement by Henry Krause, U. A. W. representative. Last week, 18 tons of food were sent to Warren by truck also.

SEATTLE, WASH.—Forty editorial employes of the Seattle Post-Intelligencer, members of the Newspaper Guild, have refused to pay dues and assessments because of the Guild's present policies.

The rift in the ranks of the Newspaper Guild grew wider with the announcement of Walter Lippmann, nationally syndicated political writer, that he is ready to resign the union if its political resolutions, adopted recently at the annual Guild convention in St. Louis, are expected to force him into changing his own viewpoint.

Lippmann's statement, contained in a letter to the Guild, follows the earlier repudiation of Guild radicalism by Percy Crosby, a successful cartoonist.

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Gov. Murphy Compelled to Veto Own Bill

(Continued from page 1)

It was fair to labor and fair to industry, as only a Frank Murphy act could be.

Told New Yorkers Of Ideal Law

The distinguished Michigan governor went to New York City, where he schoolmastered the metropolitan citizenry in the home town of Senator Wagner on the essentials of a real labor act, such as he had passed through the Michigan legislature.

Then came disaster. President Roosevelt, angered by the defeat of his pet Supreme Court packing bill, had lost largely the support of the southern Democrats. The Barkley election as majority leader in the United States Senate had been won by a single vote. The administration must make new friends or renew the acquaintanceship of old ones. It turned immediately to John L. Lewis, together with the leftist elements of the new radical Labor Party of America.

Labor Backers Dislike Measure

Part of their program was to revamp the "model" labor act of Governor Frank Murphy. In the minds of these leaders it was absolutely absurd to have a "fair" labor act, and of particular irritation was the provision that pickets should be constituted of employes of the plant picketed.

This was against labor practice. In the General Motors strike at Flint had not Toledo, Akron and Cleveland sent their great delegations to picket and even participate in the "sit-down" within the plants? In the C.I.O. strikes in retail stores and restaurants in Detroit had not the outside been most prominent?

Governor Murphy called an adjournment session of the state legislature of Michigan to modify his own model act. The session had other purposes, of course, namely, civil service reform, liberalization of the new Unemployment Compensation Act and rural electrification. Nevertheless the Labor Relations Bill was the avowed reason for calling back the legislature into this adjournment.

When the revision demands of President Roosevelt and the labor leader were refused by the Senate of Michigan, the governor held a meeting with labor leaders in the Capitol and promptly vetoed his own model labor bill.

Compelled to Kill Own Legislation

The pity of the entire situation is that Governor Frank Murphy, of Michigan, cannot recall his pleas to the legislature to pass the bill it passed, nor can he withdraw his fine and flowery descriptions of Michigan's ideal labor act, drawn by the governor, out of the mind of the governor and for the governor and then vetoed by the president of the United States and John L. Lewis acting through the governor of Michigan.

In a special session of the Michigan legislature, which must be called in the near future, there is now widespread demand for a real labor act such as was originally drafted.

Such an act will lay down the responsibilities as well as the right of labor. It will permit and proclaim and defend the right of labor to organize and bargain collectively through representatives of its own choosing.

It will demand that labor incorporate and hold itself financially responsible for the outlaw acts of its own agents, when such acts have been authorized.

It will regulate picketing, not in the narrow necessity of demanding that all pickets be employes, but in the sense that all individuals in a picket line be understood to be held responsible for their personal conduct in permitting access to the plant.

Wage-Hour Bill Contains Basis For Own Defeat

(Continued from Page 3)

as a standard. Nor is the 40-hour week to be so regarded as a standard.

The economic truth is that a declared minimum serves as a psychological standard whether it be hours per week or cents per hour.

When the N. R. A. fixed 26 cents an hour as a minimum, practically every second string executive and all white-colored workers suffered drastic reductions in pay because of the desire of employers to "average down" the rate of wages.

Bill Provides for Adjusted Tariff

The "Fair Labor Standards Bill" authorizes the Federal Tariff Commission to watch the operation of the law as it affects prices of domestically produced goods in their relationship with goods produced in foreign nations, with a view of adjusting tariffs to conform with the necesities of the operation of the new law.

The new bill provides that orders from the Fair Labor Standards Board be issued only after hearings.

It provides for the appointment of committees of employers and committees from the public to "advise" it.

It gives the power of subpoena to another branch of government.

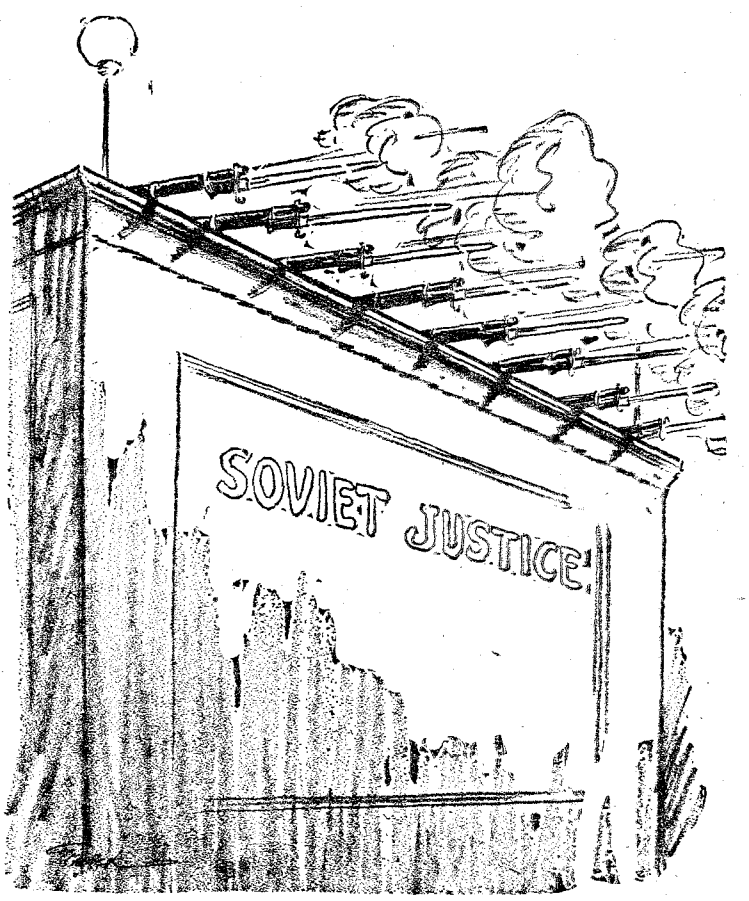
It gives the "Board" power to institute suits to enforce its orders.

It provides that employes held to illegal standards of hours or wages may recover from employers.

Poland Plays Diplomatic Hand

WARSAW, POLAND. — Col. Josef Beck, the Polish foreign minister, has returned home following a conference with officials of Great Britain and Belgium. His trip is supposed to have "sold" these officials on Poland's idea of European collaboration without Russia, and assigning the Moscow government a less important place in European affairs. Poland is pretty much in the middle and under Beck's guidance has endeavored to foster an alliance with Roumania and to make ties with the Baltic countries as a buffer wall between Russia and Germany. In this Beck has been endorsed by Britain and Belgium.

"The Court Rules—"



—Christian Science Monitor.

Russians' Polar Flights Soviet Diplomatic Cue

(Continued from Page 1)

is desperately in need of the support of the United States in the crisis that impends in the Far East, and he has instituted a methodical drive to get it.

Stalin Himself May Come to U. S.

Word in Washington now is that Maxim Litvinoff, Soviet foreign commissar, is planning a second visit to these shores. There is a strong possibility that Stalin may accompany him on the journey.

Soviet officials believe the Polar flights have done much toward making the visit of Litvinoff or Stalin, or both, a success. Stalin wants, most of all, to be able to purchase war munitions from the United States in the event of an open conflict with Japan, but he is not unmindful of the need to curry the favor of our government if his citadel of Communism is to survive the thrusts of the Fascist empire in Europe.

He hopes, desperately, that the spectacular exploits of his airmen will tilt the scales of American popular opinion in favor of the Russians. There is no joy in Moscow over the reports that the Fascists are making rapid strides in this country as a result of widespread enmity toward C.I.O. Communism.

The Soviet government has been dumping gold in large quantities into the United States — gold that is cheaply mined for $2 or $3 an ounce and peddled to our treasury department for sterilization at the prevailing rate of $35 an ounce. The receipts are being converted into stocks and securities, which may be liquidated at any time to buy war materials for use against Japan.

THIS WEEK IN THE WORLD

DUBLIN, IRELAND.—The general election of the Irish Free State resulted in acceptance of the new Irish constitution which had been proposed by President Eamon de Valera. The new dail will have 138 members in comparison with the 153 who formerly sat in the parliament. All ministers of the government were re-elected. The constitution calls for complete severence from the British Empire, ignoring the British crown, and changing Ireland's name to the ancient title of "Eire."

De Valera

JERUSALEM, PALESTINE. — The long awaited findings of the British Royal Commission were recently announced. They call for a triple division of Palestine, already a comparatively small area, of which one part will be for the Jews, one part will belong to the Arabs, with a corridor from Jerusalem to Jaffa, under permanent British mandate. The British also will rule over Bethlehem and Nazareth

The four-man commission has been investigating conditions since last November. They have heard Jewish demands that immigration be increased and the insistence by the Arabs that it be halted. The Arabs have been aroused especially by Haj Amin el Husseini, grand mufti of Jerusalem. The commission recognized that harmonious co-existence was virtually impossible. A transition period for adjustment of boundary differences will be provided.

Both Arabs and Jews are against the partition plan. To forestall disorders, Great Britain has installed 7,000 soldiers and 3,000 special police and has deported several known Jewish Communist leaders from the area.

Portugal Backs Franco

LISBON, PORTUGAL. — Premier Antonio de Oliveira Salazar, the resourceful leader of Portugal, narrowly escaped death recently when a bomb exploded as he was leaving his automobile to attend mass in a small chapel. Portugal has been gravely concerned over Spanish outbreaks at her border. The Portugese government, which is one of the most progressive in Europe, has endorsed the insurgent regime of General Francisco Franco. Being close to the facts, Salazar has not been obliged to accept British propaganda of "Franco atrocities."

Red Counter Plot

MOSCOW, RUSSIA. — The recent trial of and subsequent death of eight Red army generals in Moscow causes observers to look behind the reasons for the mass execution in view of the fact that its victims were probably among the highest caliber in intelligence, ability and past record.

One explanation is that these Red army leaders had confered with the German high command regarding military alliance which might ultimately dominate Europe. Hitler refused to have anything to do with Bolshevism.

When the idea was broached to Stalin, however, with characteristic ruthlessness, he ordered the sham trial with the result a forgone conclusion. As the czar of 170-million Russians, Stalin could not afford to take the chance.

Strong Bankers Redivide Cuba

HAVANA, CUBA.—Colonel Batista, strong man of Cuba with the bankers' backing, recently announced a sweeping plan for the reorganization of agriculture, industry and finance. The plan is strikingly similar to that being enacted under Communist auspices in Mexico under President Cardenas. The Cuban plan calls for the confiscation of property in the form of "land distribution." The gigantic sugar industry will be subject to far-reaching edicts, which will ultimately result in air-tight control for the bankers.

Italy Has 6-Year Plan for Africa

ROME, ITALY.—Alessandro Lessona, minister of Italian Africa, in a speech before the Chamber of Deputies announced a six-year plan for the perfection and development of Africa. The plan calls for road building, development of ports, housing, drainage and complete military organization. Colonization is to be based on sound economic development directed primarily in the fields of wool, wood, skins, precious metals, coffee, meats, milk, cereals, and cotton. The ambitious plan calls for an expenditure of some $85-million for the next fiscal year.

Jewish Problem

GENEVA, SWITZERLAND.—Figures recently released by the League of Nations indicate that there are 380,000 Jews in Germany. There are roughly nearly 3-million in Poland, 1-million in Roumania, and nearly 5-million scattered in Lithuania, Bessarabia, Austria and Hungary. There are 400,000 already in Palestine and some 800,000 Arabs. Immigration in Palestine from 1933 to 1935 reached its peak of 150,000.

However, since the 1936 Arab revolt, the underlying cause of which was Jewish immigration, the Jewish inroads have virtually stopped except for some smuggling going on continuously. At present a temporary truce is in effect pending the findings of the British Royal Commission. Whether the Arabs will be successful in stemming the tide of Jewish immigration premanently remains to be seen.

Looking at it broadly, Palestine is about the only place for the Jews to go. America is their next best bet.

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The People Speak . . . .

Inspired By Spiritual Message

Reverend and Dear Father:

Nothing that you have written has appealed to me more than your article, "Christian Philosophical Basis for Social Justice Councils."

It is above all genuinely Christian and deeply spiritual.

In no article have you so completely revealed the deep spiritual life which has prompted the countless activities you have so nobly carried on for God and man with superhuman strength and ability.

With great spiritual profit it can be read and re-read, not only by the laity but by clergy as well, and I pray that it may be widely read, studied and lived by all Social Justice members.

I shall do all I can to interest others in the thoughts you have so beautifully expressed and particularly I shall try to bring the article to the attention of the younger group in our neighborhood.

—Clara Muxen.

Carroll, Iowa.

A Vote Would Not Be Permitted

To the Editor:

After reading the letter in SOCIAL JUSTICE penned by Mr. George H. Daniels of Worcester, Mass., anent his dissatisfaction with the C. I. O. and its bludgeoning of workmen into mass demonstrations to support the lawlessness of its leaders, I wish to suggest to all "sincere" members of the C. I. O.; that is, members who joined it thinking it was an honest aid to the working man, that they throw out John L. Lewis and his henchmen and elect their own officers and directors, selected from among the men themselves. They should choose men whom they know and respect, men who have worked on the bench beside them, day in and day out. There are many intelligent workmen in the United States of America. It takes brains to do the skilled work performed in a modern factory. You men are the backbone of America. So why go outside your own ranks for your officers?

I suggest that each local C. I. O. organization elect a delegate to a national meeting and there elect your own officers. And as a special precaution, choose some man who has worked in your factory for 10 or 15 years, because the agents of the C. I. O. know all the tricks and one of these is to "plant" stooges in a factory and have them pose as "one of the lads."

Yours for some real collective bargaining, and not collectivism via Moscow.

—Just a Woman.

Crystal Lake, Conn.

Where Is The "Opposition" Now?

To the Editor:

I wonder what has become of all the great "brains" who opposed Father Coughlin before the last election.

Farmers and city home owners are still being driven from their homes. Millions are still unemployed and those of us who work are working for less than a living wage. Only recently my father was discharged from W. P. A. because we own a radio.

Perhaps good old Bill Lemke had the right answer after all.

—M. Gibbons.

Brooklyn, N. Y.

Pledged to Find Panic's Cause

To the Editor:

I had an architect's office in Missoula, Mont. in 1893, and had a profitable business built up, when like lightning out of a clear sky came the financial crash. I kept my office open not knowing or understanding what was going on. Gradually this ate up all of my savings and overhead.

When I was very nearly bankrupt I closed my office and made a pledge that I would know what caused a financial panic. This determination was a hobby of mine for 30 years. During this time I read through from cover to cover a library on economics and proved only that there was nothing in economics that was complete truth. **The all-essential part, who issues and controls the money, was never explained.**

The trash that is written on the subject of economics is a national disgrace, and they teach this in all of our public schools and colleges. This fact is what makes it so difficult for you to educate the masses. They have been taught a lie and believe it to be the truth. **Even a truth to be believed must be often repeated.**

—Charles Suiter.

Detroit, Mich.

Why Shout "Communism" Now?

To the Editor:

In reply to a letter published in SOCIAL JUSTICE on July 12, and signed R. A. C., New York, I wish to contradict his statement that the president of the Transport Workers Union was drafted from a ticket selling job for a window dressing. That is a false statement. What he should have written is that Michael Quill and his two friends who he says are Communists were the three men who are directly responsible for the success of the Interborough railroad union and let it be known to the writer and all others that they have accomplished what has been tried for the past 20 years and each has failed. Perhaps the writer had a soft job in the company union and that is why he is sore.

A New York paper stated:

"It has made history when a representative of the Interborough railroad sat at a conference with a representative of a union" . . . and it certainly has when they have gained recognition without a strike or a man losing a week's wages.

Why all this shouting Communism now? **Where were all those 100 per cent Americans in 1936? I did not read of any loud protests when the Communists were allowed a place in the state and the national ticket and the men who were supported by SOCIAL JUSTICE were discredited.**

Only one man that I read of had the courage then to come out openly to fight Communism and that was in the Borough of Queens.

—D. J. H.

New York, N. Y.

All Christians Must Unite

To the Editor:

The injustice of our social order is the breeding ground of Communism. Communism however, in contrast to Christianity seeks to destroy the social order rather than to save it. It seeks to destroy the dignity of manhood in order to create the proletariat. Christ, through the Church with its program of social justice, can save society.

Only social justice can solve our pressing economic problems without creating other abuses and problems to solve. In the encyclicals of Pope Leo XIII, and of Pope Pius XI, we have the social Magna Charta of the liberation of man from economic bondage.

Christians must unite for social justice. Communism must not conquer in America.

—Louis Longarzo.

Bronx, N. Y.

Somebody Has Wrong Information

To the Editor:

In the July 26 issue of SOCIAL JUSTICE the Rev. M. E. Cummings denies that there has been a walkout at the Fisher Body plant here in Cleveland since the signed agreement of the U. A. W. A. and General Motors, as previously stated in SOCIAL JUSTICE.

If the Rev. Cummings is telling the truth, then certain acquaintances of mine who work at Fisher Body lied when they told me that the reason they were not working was because the union leader at 9:30 a. m. ordered most of them home and designated a few to stay as pickets.

These men did not know what the reason was for the walkout, but thought it was because the management refused to accept some order by the union.

—Ira A. Thompson.

Cleveland, Ohio.

Wants More About Protocols

To the Editor:

In the July 12 issue of your paper Mr. Louis Menke of Roscoe, Minn., made the suggestion that you quote from the Protocols of the Wise Elders of Zion and not bother with "Gabriel Over the White House." You have no proof that the protocols are a forgery, and from what is taking place in the United States today that they are far from fabulous.

Why not come out and tell the whole truth about Communism and that the Jewish leaders are back of it all. Print some of Robert E. Edmondson's bulletins. Tell your readers the real facts about Communism.

—H. L. Smith.

Philadelphia, Pa.

American Plato Condemned "Bank"

To the Editor:

Even as far back as 1856 Emerson, America's Plato, had this to say in his essay on Wealth:

"But another machine more **potent in England than steam is the Bank. It votes an issue of bills, population is stimulated, and cities rise; it refuses loans, and emigration empties the country; trade sinks; revolutions break out; kings are dethroned. By these new agents our social system is moulded. . . .**

"It is rare to find a merchant who knows why a crisis occurs in trade, why prices rise or fall, or who knows the mischief of paper money. . . .

"What befalls from the violence of financial crisis befalls daily in the violence of artificial legislation. . . .

"Then society is admonished of the mischief of the division of labor and that **the best political economy is care and culture of men."**

—Andrew C. Obusek.

Cleveland, Ohio.

Democracy Is Work of the People

To the Editor:

There is no doubt about it. Financial methods in vogue previous to 1930 caused the depession, and not America's reaction to world conditions. The main financial ill was — and still is — in the American monetary system which is due to banks having the power to coin and control money thereby maintaining an overlordship on American labor and commerce.

This in reality establishes an empire within a republic.

American democracy was established to produce the greatest good for the greatest number and not the greatest good to the one with the most money. The private banking system established by Alexander Hamilton was a cancer sown into the democracy which has now reached its final stage. There must be an operation.

The method and technique of this operation is a matter for discussion. The objective must be clearly defined and the best thought must be brought into action. The operation must be performed to save and not to kill.

I have been a real estate broker in New York city for many years and have dealt with all classes of business and society.

I have witnessed many changes in political and business methods and in this discussion look back upon the good and evil and the wisdom contained in those changes.

Banks fill an important place in commerce but they should be made to function to serve commerce and not control it. Control of commerce is a function of Congress. Banks should be put on the basis of other commodities such as clothing, furniture, food, and let banks exchange their services and money just as merchants of all kinds buy and sell their wares.

If we wish to preserve our liberty and have a true democracy, we must do the larger part of the work ourselves.

—Francis S. Crane.

New York, N. Y.

Liberal Is As Liberal Does

To the Editor:

In a recent article by Jay Franklin, it is stated that Barney Baruch controlled the Democrats who voted for Pat Harrison for Senate majority leader.

This Jay Franklin wants us to assume that they were all Wall Street controlled, and infers that Senator Wheeler and other liberals who opposed the President are likewise.

However, we know that Barney Baruch and the Wall Street crowd have been the President's advisers since his election in 1933. He has been dependent upon this crowd ever since. Never in the history of America has a president had more Wall Street "liberals" than Mr. Roosevelt.

They are liberal because it pays to be liberal, to help deceive 27 million misguided New Dealers who have been dealt cards from the same skillful hands and keen minds.

Where was this Jay Franklin and all these other New Dealers and self-styled liberals during the war and up to the 1932 election? Let someone point out their deeds and what they sponsored or advocated in the interim.

And then taken Senator Wheeler, for example. All that is necessary is to re-read the story of Teapot Dome, of Harry Dougherty, and William J. Burns, of the effort to "get" Wheeler or Jessie Smith and the Ohio gang, and the "little green house on K street," and of Wheeler leaving the conservative Democratic party to run as vice president with the late Robert M. LaFollette, Sr. **It did not pay to be liberal then. Where was this Jay Franklin, and where were the rest of the New Dealers from top to bottom then?**

—A True Liberal.

Cleveland, Ohio.

A True Short Story

To the Editor:

I began working at a southern silk mill the first of September, 1932, as sorter semi-mechanic at the pitiable sum of 12½ cents an hour when previous to the depression I was capable of earning a dollar an hour. The common laborer or knitter in this mill was receiving 7½ cents an hour and working 12 hours a day.

About three months later the boys began to show signs of diversion. Some had been fired, and others quit for lack of interest in their work, because of the low pay. Naturally the company didn't want to lose some of its best men so they proceeded to give them a hush raise of 1 cent an hour. They were more liberal to me, raising my pay to 15 cents an hour.

The following spring I began to feel suspicious. I expected another 2½-cent raise, so I tried talking for 25 cents an hour in the hope of being able to compromise at 20 cents. I was successful. This gave the knitters courage to ask for money and they obtained a 1½-cent raise, which now made their salary 10 cents an hour in all.

Later the company installed more machinery, and when some of these men, most of whom had families to support, went to the foreman of the knitting department, who was also head mechanic, and asked for a raise he said: "H—— no! No one will get a raise until this machinery is paid for!" He was drawing $200 a month.

One young fellow who was fast at threading, sat beside him all day and would do the same amount of work for 5 cents an hour. He later lost his job when the N. R. A. was introduced because he was so young and they couldn't afford to pay him a minimum wage of $12 a week.

Almost all beginners would have to work from one to two weeks without pay. Then after this period if they worked hard and learned well, they would start paying them 5 cents an hour.

The knitters operated two machines knitting cloth 12 to 15 feet wide. This usually gave one knitter plenty to do. While the N. R. A. was being developed the company gave each knitter four machines to look after, and cut their time from 12 hours to 6 hours a day, with the same pay, $1.20 a shift.

When the N. R. A. came into effect they gave the men 30 cents an hour and put them on eight-hour shifts. Those who couldn't be retained by this plan, were immediately laid off. They raised my wages to 32½ cents an hour.

In the fall of 1934 I called a one-man strike, and after I had been out for three weeks they offered me 35 cents an hour to return to work. The following spring they raised my wages to 37½ cents an hour.

One year later I was forced to quit my job due to failing health. I have been out of work for approximately 13 months. I doubt if I can ever obtain another factory job as I am past 45. How I will ever be able to earn an honest livelihood from now on, God only knows.

In 1936 our superintendent, decided to run for Congress against Sam D. McReynolds. While making a speech in the courthouse at Dayton, Tenn. Mr. McReynolds began to expound the N. R. A. and tell the people about his opponent who operates a small factory a few miles north of here, and who previous to the N. R. A. only paid his workers 75 cents a day. At this point the opponent leaped to his feet with a shout, "that's not true!" Everybody laughed and Mr. McReynolds said that must be the man.

McReynolds was elected about 2½ to 1. It is a pity that he does not use his voting power and influence to help bring about an honest money system.

—W. S.

Spring City, Tenn.

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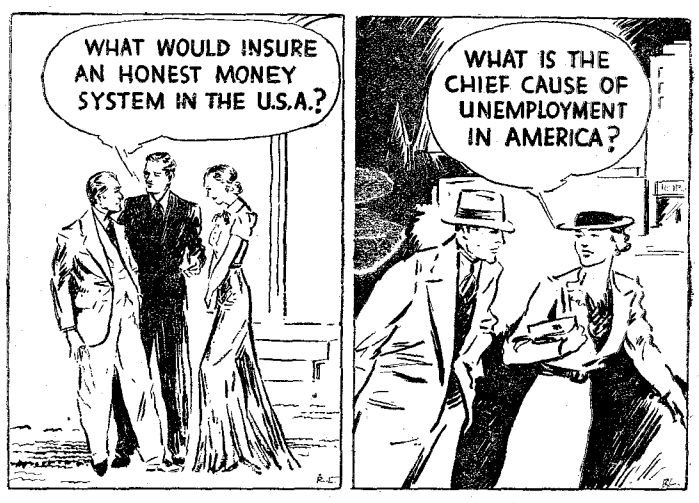
Old Contest Prize-Winners Next Week

New Contest SPEED PRIZE Expiring!

QUESTIONS FOR THIS WEEK

Picture No. 17 Picture No. 18



Make Your Selection by Number from Following Lists:

1. Unlimited issuance of "greenbacks."	1. Overproduction of wealth.
2. Passage of all New Deal legislation.	2. Underproduction of wealth.
3. A fixed price for gold.	3. Operations of labor racketeers.
4. Free silver or bimetallism.	4. Faulty distribution of wealth.
5. A government-owned central bank paying into circulation money coined and regulated by Congress.	5. Ability of bankers to manipulate supply of money.
6. Dictatorial control over present banks by the executive.	6. Non-taxable securities.

FILL IN THIS COUPON AND MAIL WITH 10 CENTS IN COIN
NOT NECESSARY TO RETURN PICTURE KA
Make your selection by number from suggestions under each picture.
Write clearly the number in the little square.

No. 17 For Question No. 17 I Select Answer No..... ☐ No. 18 For Question No. 18 I Select Answer No..... ☐

MY NAME IS.....

MY ADDRESS IS.....

TOWN OR CITY.....STATE.....

EXTRA COUPON FOR FRIEND OR RELATION

FILL IN THIS COUPON AND MAIL WITH 10 CENTS IN COIN
NOT NECESSARY TO RETURN PICTURE KA
Make your selection by number from suggestions under each picture.
Write clearly the number in the little square.

No. 17 For Question No. 17 I Select Answer No..... ☐ No. 18 For Question No. 18 I Select Answer No..... ☐

MY NAME IS.....

MY ADDRESS IS.....

TOWN OR CITY.....STATE.....

How To Become A Contestant

1. Study the questions. Mark your selection of the best or most appropriate answers on the Coupon below the picture and send in EACH WEEK with 10 cents in coin (not stamps).
2. If you wish, you may pay up in full, $2.50 NOW, and then send in your weekly Coupons without further remittance.
3. Each question will pertain to a live AMERICAN ISSUE discussed in the columns of SOCIAL JUSTICE. One of the list of suggested answers underneath each picture will be the best or most appropriate FROM THE VIEWPOINT OF FATHER COUGHLIN AND THIS WEEKLY ON NATIONAL SOCIAL AND ECONOMIC ISSUES. It is your job, as a contestant, to try to select that particular answer.
4. Each contestant who completes a fully qualified set of 50 answers will receive, without further cost, a handsome 105-page souvenir book descriptive of the Shrine of the Little Flower at Royal Oak, with 63 beautiful illustrations.
5. In order to qualify for the prizes, a contestant is required to remit $2.50 for each complete set of solutions submitted, and also to obtain one NEW yearly subscriber to SOCIAL JUSTICE at the annual subscription price of $2.00 per year. This subscription may be sent in at any time during the 25 weeks duration of the Contest.

READ RULES CAREFULLY AND ENTER TODAY!

ADDRESS—

"CONTEST EDITOR"

SOCIAL JUSTICE

ROYAL OAK, MICH.

GRAND PRIZE
$2,750.00

Second Prize
$1,250.00

THIRD PRIZE
$500.00

FOURTH PRIZE
$200.00

FIFTH PRIZE
$75.00

10 Prizes of $50.00 Each.
20 Prizes of $25.00 Each.
100 Prizes of $10.00 Each.
200 Prizes of $ 5.00 Each.

$750.00
SPECIAL AWARD FOR PROMPTNESS!

Unless You Enter You Cannot Win $3,500.00

Rules of Contest

1. Open to all readers of SOCIAL JUSTICE except employes of Reverend Father Coughlin, members of the former National Board of the National Union for Social Justice, or members of their families.
2. Two pictures each week for 25 consecutive weeks, beginning Monday, June 21, 1937. Each picture contains a question dealing with a live economic or social problem affecting the United States during the current year.
3. A Grand Prize of $2,750.00 will be awarded to the reader of SOCIAL JUSTICE returning the best or most appropriate answers to the 50 questions, such answers to be based upon the viewpoint of Father Coughlin as expressed in the columns of SOCIAL JUSTICE or in his public utterances. The reader or readers submitting the next nearest correct answers and otherwise complying with the rules shall be eligible for the additional prizes in the order of their correctness.
4. In order to qualify as a prize-winner, the contestant is required to send in 10 cents in coin (not stamps) with each weekly Coupon; and to obtain at some time during the Contest one NEW yearly subscriber to SOCIAL JUSTICE at $2.00 per year. The remittance of 10 cents in coin and the effort of obtaining the subscription is in payment for a handsomely illustrated 105-page book descriptive of the Shrine of the Little Flower. Purchase of this book, which will be delivered after the close is a condition for entering the contest.
5. We cannot take into account solutions without signed names or addresses. Neither can claims to their ownership be recognized. We cannot be responsible for Coupons arriving unduly late. By entering the Contest the contestant agrees to accept as final the decision of the judges as to procedure and final outcome.
6. In event of ties additional pictures and questions will be submitted. In event of final ties, after two such submissions, duplicate prizes will be awarded.
7. Do NOT decorate Coupons. Neatness will NOT count.
8. Any inquiry the reply to which could not affect outcome of Contest will be acknowledged.
9. A contestant may send in any number of answers, and each set will be judged as a unit, but no individual may win more than one prize. A contestant sending in more than one fully paid set, and one yearly subscription for each set submitted, will be entitled to one book for each set.

Next week is THE WEEK in our "KNOW AMERICA" Contest. Our next issue of SOCIAL JUSTICE — August 23 — will bring to you the names of prize-winners in our recently concluded "KNOW SOCIAL JUSTICE" competition — the names of those readers who gave perhaps a little more thought to the 50 questions and PERSEVERED TO THE VERY END.

Our next issue will also include all picture-questions which have appeared up to that date in our immensely popular "KNOW AMERICA" Contest.

Within a few weeks we will be ONCE MORE announcing the names of 335 winners in our "KNOW AMERICA" competition.

Within just a few weeks some one now reading these lines—WHY NOT YOU?—will receive our check for $3,500.00 as the winner of the Grand Prize who entered the Contest during the first 10 weeks. (This is the last week.)

The prizes in THIS Contest are larger than those which will go out in a few days to winners in our "KNOW SOCIAL JUSTICE" Contest.

So——

We feel you need no urging to be sure you get your copy of SOCIAL JUSTICE next week—August 23. Remember—it will contain ALL PAST PICTURE-QUESTIONS in this Contest which have thus far appeared.

This is to make it EASY for you to enter before the Promptness Prize of of $750.00 expires—so that you CAN win the grand total of $3,500.00.

Perhaps YOU are a winner in our "SOCIAL JUSTICE" Contest. If so, you will receive our congratulations. If not — there will be a new "class" of winners in THIS NEW CONTEST.

Be one of them!

Attention, Please!

$750 Promptness Prize Expires Next Week!

There will be a Special Prize of $750.00 for the winner of the Grand Prize who enters the "KNOW AMERICA" Contest during the first ten weeks of its life. That means that if you enter NOW and win the Grand Prize of $2,750.00, YOU WILL RECEIVE OUR CHECK FOR $3,500.00 BECAUSE YOU WERE PROMPT.

Remember — every person who enters this great Contest and perseveres to the end will receive, free of additional cost, a beautifully printed 105-page book descriptive of the Shrine of the Little Flower, embodying 63 handsome illustrations.

MAKE THIS PROMPTNESS PRIZE YOURS BY ENTERING TODAY! IF YOU DO — YOU WILL WIN $3,500.00 IN CASH!

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ON THE TRAIL OF THE MONEY CHANGERS

Commercial Banking a Gambling Racket Venerable for Age, Not Legality

By Robert H. Hemphill

I WANT to correct a widespread but erroneous idea in relation to banks and bankers. Bankers delight to pose as "conservative business men." That is one of civilization's outstanding jokes. **Commercial banking is not a business — it is a racket** — the greatest racket of all time. It is the only device ever developed for obtaining something for nothing.

I believe I know as many bankers, and know many of them intimately, as anyone alive. There is no such thing as a "conservative banker." Bankers are not that type of men. They are essentially gamblers. No one but a gambler could run a commercial bank. No one but a gambler would attempt it.

The banker, whatever may have been his original training, cannot avoid the consciousness of the hypocracy and pretense which dominates his institution. It is built upon a foundation of misrepresentation and deceit and is sustained by continuous subterfuge and intrigue. A commercial banker's verbal obligation is worthless unless it means profit for him or his bank, and his written obligation is little better.

Strongroom Keepers Started the Racket

The idea originated with the "Money Changers" of ancient times. They were a secretive, shifty lot — the predecessors of our international bankers. Their original business was to convert the money of visiting merchants into money of their own country. According to history, they charged exorbitant fees but someone had to perform this service and despite their generally unsavory reputations the merchants had to do business with them.

Because they had strong boxes and were protected by the religious sanctuaries—the temples, of the period—accumulations of money were deposited with them for safe keeping. They were presumed to hold this money in trust until called for and were paid fees for that purpose, but the tempetation to obtain additional profits was too much for these slippery fellows and they invariably loaned it to merchants and others as soon as the depositor's back was turned, hoping to recover it before the owner called for it. With the funds of several depositors on hand it was unlikely that all would call for all their funds at one time, and the money changer took the chance.

If they were not too avaricious, and kept a substantial amount of these funds on hand, they sometimes got away with this deception for a long time. In the meantime they grew rich, as they charged 25 per cent or more for loans for two or three months.

Collected Usury On Nonexistent Gold

Eventually, as some of these money changers became well known, their parchment receipts for gold or silver deposited with them for safe keeping, was passed from hand to hand instead of the actual metal, and as this practice became more general, this shrewd gentry discovered that as no one knew how much gold or silver they had, **they would issue receipts for gold or silver money they did not have and collect as much usury for these phoney receipts as for the genuine.**

This is precisely what our present commercial system does. When you borrow from a commercial bank, you do not get money. You get a "deposit"—a credit on the ledger of the bank and a check book. You draw checks against this credit deposit and pay your debts, and your creditors deposit your checks and the bank simply charges your account and credits the account of the person to whom you gave the check. The banker has simply created imaginary money, and collects interest for it.

Our laws recognize this dishonest practice, not because it is legitimate, but because the bankers of every civilized nation, through years of prostituting the lawmaking bodies, and by subsidizing newspapers, schools and even pulpits have been able to prevent the passage of laws which would destroy their institutions, and to prevent the general public from discovering their unlawful activities.

Today our laws permit any man or group of men who organize a bank, to loan or pretend to loan, six or more times their stock of actual money.

Bank Create Or Call in Money

Reflect for a moment what a tremendous and what an unfair advantage such a situation gives the banker. If he organizes a bank and collects subscriptions for $100,000 for its capital stock, he is immediately a millionaire. He can create $1,000,000 or more of this imaginary money and use it for his own benefit, without any contribution to society. No one else is permitted to do that. All others have to earn their money.

But even this is not the whole story. It is the expansion and contraction of this imaginary money by our 15,000 uncontrolled private banks which cause our recurrent periods of disorganizing inflation and the inevitable subsequent periods of depression, with their tragic toll of unemployment, bankruptcy and every form of human misery.

Most of the injustices suffered by the underprivileged of every civilized nation, grow out of the unfair advantage possessed by these bankers and their group of privileged associates. Using this imaginary money, which costs them nothing to produce, they have created for themselves such a strongly entrenched position that nothing short of the education and demand of a manipulated and defrauded public will ever unseat them.

Depression Grew Out of Secret Plot

(Continued from Page 5)

James B. Forgen was there. J. H. Puelicher was there. James A. Alexander was there, and other bankers participated. But the manipulating financiers and bankers, the master minds of finance, who engineering this gigantic secret movement, were not present in person, but were pulling the wires, directing and prompting their puppets from afar.

But the bankers in this secret meeting knew the power of money and their power to control money and credit and commodity values and the price level. W. P. G. Harding, the chairman, said:

"We all know that if the bankers in any community, large or small, were to clasp the screws on tight, they could bring disaster upon the community, which might spread to other communities."

These bankers knew the effect of the contraction of money and credit to force down values and the price level.

Authority Admits Leaders Were Selfish

Jesse H. Jones, chairman Reconstruction Finance Corporation, in a recent series of articles in The Saturday Evening Post, admits that **"in the beginning, a few bankers were actually selfish enough to be willing to see their competitors fail,** but when the fire began to spread, the biggest and strongest were appealing to the government that something be done to save the situation."

During the year from 1923 to 1924, the bankers extended credit until it became an inflated balloon that could do nothing else but burst. And at all times, with only their billion dollars of real currency on deposit, they loaned this extra 20 or 30 or 40 billions of dollars of stage money, at 5 or 6 or 7 per cent making a billion dollars profit even in a poor year.

Then in 1929 came the crash on the New York Stock Exchange.

The bankers concluded that it was time to issue no further credit, and that, moreover, it was time to call in billions of loans already made.

Meanwhile, from the bankers' bank—the Federal Reserve Bank—word went out that too much money had been loaned by their fellow bankers. It was time to call in the loans. Thus, Henry Doe, the manufacturer, John Smith, the farmer, and Peter Adams, the merchant, all of whom borrowed from the bank, were ordered to pay back in currency, mind you, what they obtained in check book money. Simultaneously this happened all over the nation. Ten, 20, 30 billion dollars of loans were called, and every $1,000 loan curtailed took $50,000 of business out of circulation. There were only $5-billions of currency money in existence. It was an impossible situation. Therefore, a depression arose. The deeds, the mortgages were claimed by the bankers, and homes and farms and industries were confiscated because there was no currency money.

Banks Turned Paper Into Bonds

Did the banker close up shop? He did not. At least the big banker did not. They liquidated the homes and farms and industries which they confiscated when the borrowers had no currency money to save them. They sold them for what they could obtain on a depressed market. Then they turned around with this new fresh currency money and bought tax-exempt government bonds at 4 per cent or less.

Meanwhile, bread lines were established. Unemployment was rife. Poverty stalked through the nation. Of necessity the government must obtain money to feed the poor and must undertake public works to salvage the unemployed. Therefore, it borrowed $8-billion from the bankers, who—playing their game even in the face of national distress—loaned the government a fat check book and perhaps, for good measure, a bottle of ink and a fountain pen. Still there were only $5-billion in actual currency in the nation. But through the banker's magic, they loaned the $8-billion, because they knew that in 18 years $6-billion in interest would be returned by the government for the privilege of using a banker's check book—$14-billion in all!

The meeting described above was the outgrow of another secret meeting in 1919 **which had for its purpose the destruction of all non-member Federal Reserve Banks in the country.** In other words, the independent banker who had a heart, who refused to go along with the Big Banks in their insane concentration of wealth, was to be crushed and frozen out. This was done by the same method of restricting the currency of the nation. As these non-member banks have no control over money, except what is deposited with them, their money can be contracted until they are broke. We must have our key men in every city spread the propaganda that "modern business needs strong banks" said one big banker on that occasion.

6,000 Banks Fail in 3 Years

This is attested by Mr. Jones' article in Saturday Evening Post of June 26, 1937. He says:

"The larger cities and localities that suffered most from bank failures were Akron, Toledo, Youngstown, Detroit, Cleveland, Chicago, New Orleans and Baltimore. Many smaller cities and towns lost all their banks. Atlantic City suffered probably, the heaviest percentage of deposit losses.

To reduce space, we have compiled the following table:

Banks Before Crash	City	Banks After Crash
9	Akron	5
13	Toledo	6
9	Youngstown	6
18	Cleveland	11
40	Baltimore	28
9	New Orleans	5
223	Chicago	56
21	Detroit	8

In the years 1931, 1932, and 1933, more than 6,000 banks failed in the United States, according to Mr. Jones. He adds ironically: **"Many of them could have been saved through local co-operation even without government assistance."**

Mr. Jones does not mention the co-operation that the Big Bankers might have given, and the Federal Reserve Board especially. **But they were in no mood for co-operation.** They were out to seize and shake down the small banks. The figures given above amply bear out how successful they were in their cruel, heartless, greed and avariceness.

Now you can see why SOCIAL JUSTICE is campaigning against heavy odds to bring the truth to the people of America. Now you know why we advocate that the control of money be taken out of the hands of a selfish few who exploit their fellow men for their own profit.

The Searchlight

CINCINNATI, OHIO. — Prof. Irving Fisher, advocate of 100 per cent money, and professor at Yale University, recently pointed to Sweden's money system as an antidote for economic depressions and asserted that unless a similar system were adopted for the United States another depression was inevitable.

"And another big depression within a decade would mean revolution," his warning continues.

"Sound and permanent prosperity requires that we avoid both deflation and inflation alike; in other words, that we keep our money stable in volume and, consequently stable in value."

It is impossible to keep our money stable in volume under the present arrangement of the Federal Reserve System. They can expand and contract the currency practically at will. This is what causes the depressions.

But the important thing is that this keen authority believes one more such engineered depression, and revolution will be upon us. Thinking people are starting to see the handwriting on the wall.

Referee's Sale Is Kreuger Echo

NEW YORK, N. Y.—The dismal echoes of high finance resounded last week with the federal referee's bankruptcy sale of the remaining assets of the International Match Corporation—the key company in the Ivar Kreuger world-wide debacle. At public auction $8,246,000 worth of assets were bought.

On this $150-million in stocks were floated. To date they have paid 27 cents on the dollar. The bond issue was $95-million. The total loss to American investors in the Vulcan Match Company, was around $225-million. This, however, was by no means the whole of the millions lost by those who invested in the pyramided holdings of Kreuger, who committed suicide in his Paris apartment in March, 1932.

Liquidation of Kreuger & Toll, the parent company, is still in process. Of $47-million invested in these debentures, only about $10-million has been realized to date.

Bankruptcy Cases "Prosperity" Shadow

DETROIT, MICH. — The false prosperity headlines that appears in the financial pages of the daily papers was glaringly denied by a recent report of the federal court of the Eastern Judicial District of Michigan during the fiscal year of 1936-37, just ended. There were 2,113 voluntary bankruptcy cases filed. Involuntary no-asset cases totaled 127 as compared with 70 in previous year. There were 1,892 discharges in bankruptcy granted by the federal court in 1936-37 as compared with 1,750 granted in the preceding year.

This is the sordid, silent tale of an iniquitious money system that forces the small operator in all types of business to fold up. He cannot make money like the banker with a bookkeeping entry and a fountain pen. He must work and sell and it is a hard game to beat.

These people, most of them, went into bankruptcy because of one thing—money. Perhaps these victims will make a study of money and see what an impossible situation exists in the banking and commercial world of today in regard to money that appears and disappears at the will of the banker.

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No Recovery Without Financial Reform

SOCIAL JUSTICE

Father Coughlin's Weekly Review

5c Per Copy

Volume III No. 33 | Royal Oak, Michigan | August 16, 1937

Low-Cost Housing Single Item Of Merit on 'Must' Law List

Behind the Washington News Front

From the Capitol Bureau of SOCIAL JUSTICE

WASHINGTON, D. C.—The only Senators who voted their principles during the roll call on the Black wage-hour bill were a scant few, like Frazier and Nye of North Dakota and Borah of Idaho, who voted against the bill because they sincerely believe it won't solve the problems of the working man.

The votes of most Senators were impelled by purely political or sectional motives and were in no sense influenced by a feeling of Christianity toward the laboring classes. Both proponents and opponents of the bill may be classified in this loathsome category.

"Yea" voters fell into two classes —New Dealers who always support the president, and a group of independents, including Senator Cabot Lodge of Massachusetts, who were out to protect the New England manufacturers.

On the other hand, those who were recorded against the measure were, with few exceptions, southerners determined to preserve the cheap labor racket of manufacturers in certain states of the South, and northern anti-New Dealers who were guided by political or reactionary considerations.

Senator Lodge of Massachusetts, a Republican, explained his vote by frankly admitting that he wanted to "save" New England manufacturers.

"I voted for this bill," said the Senator, "because I regard it as a step in the right direction. It will, if enforced, stop once and for all the flight of industry from Massachusetts to places where labor is cheap and sweatshops prevail."

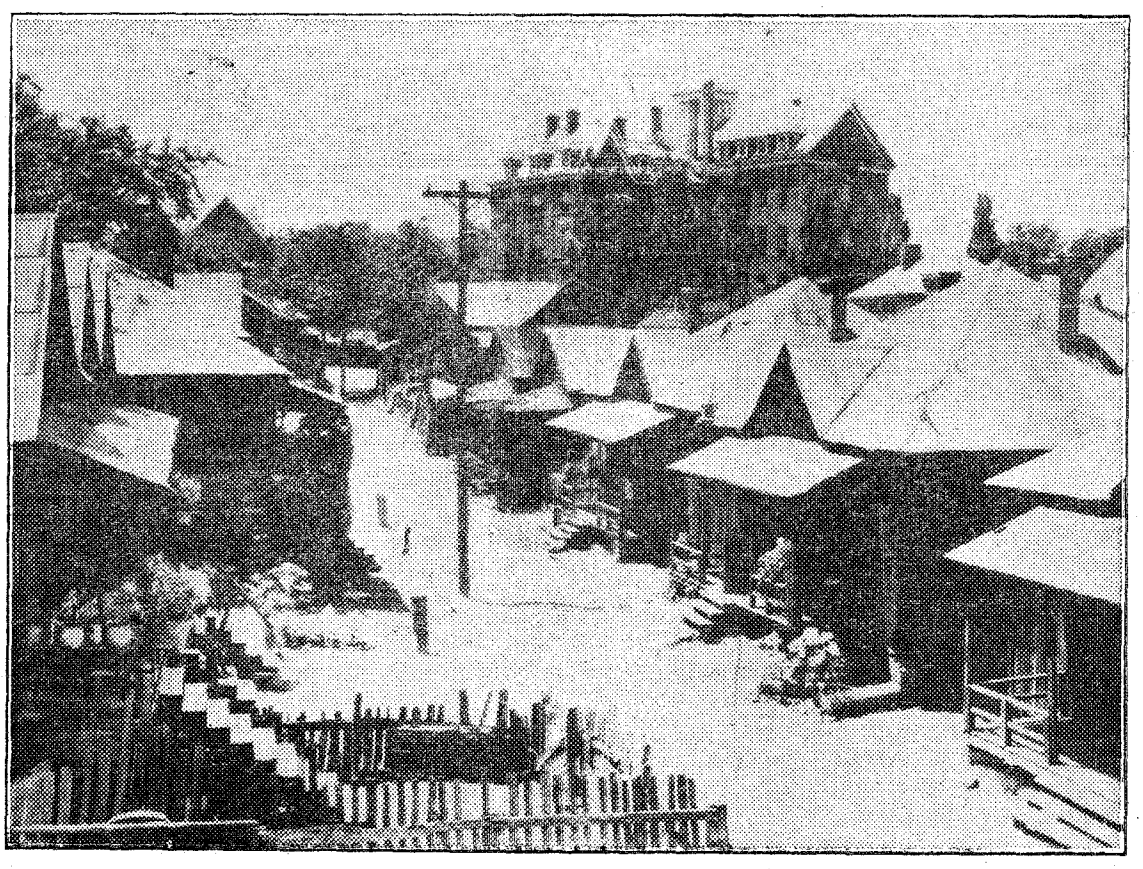
Thus, Senator Lodge went on record as in favor of establishing a country-wide W. P. A. wage for labor so that Massachusetts may be made safe for exploiting manufacturers.

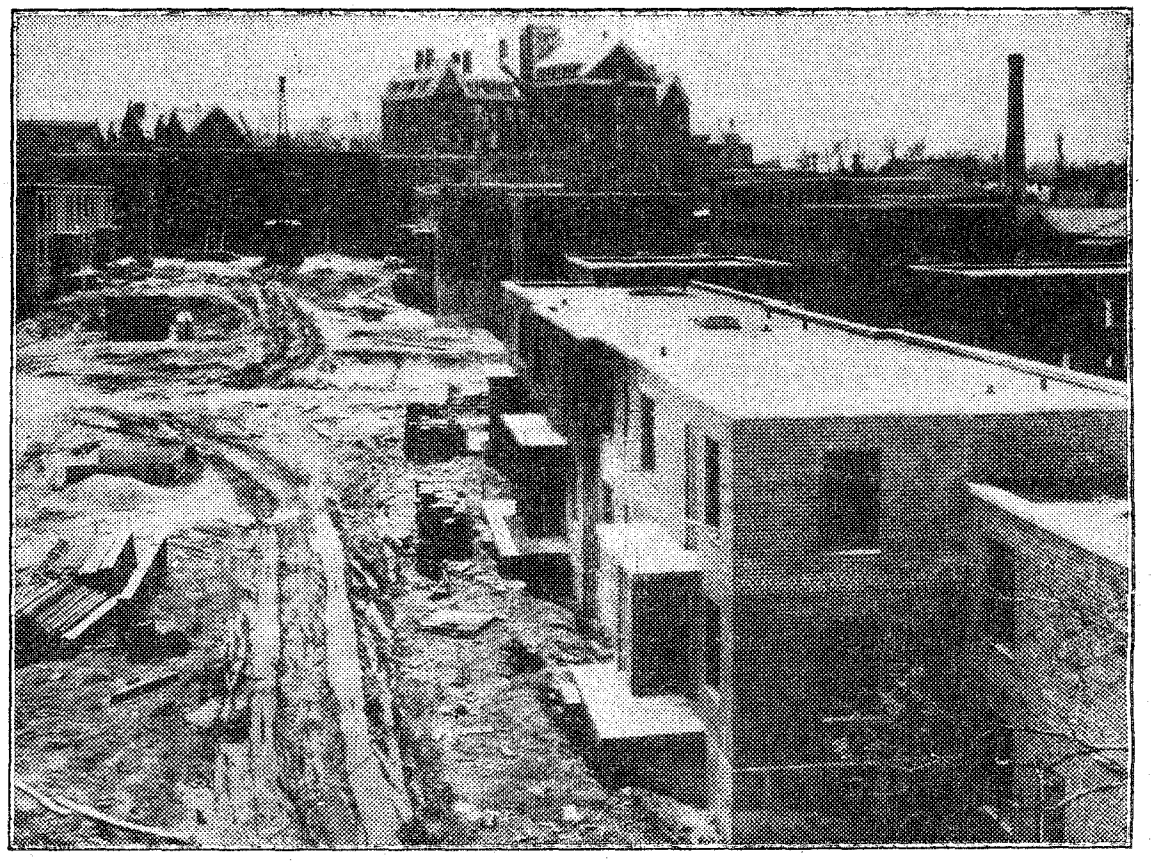
Friends of Senator Pat Harrison of Mississippi are muttering in their beards about certain foul tactics which are alleged to have been used against Pat in his battle with Senator Barkley of Kentucky for majority leadership of the upper chamber.

The administration is accused of violating at the last moment its promise to remain neutral in the fight, which Harrison lost by a margin of one vote. The charge is based on the failure of Senators Dietrich (Ill.) and Neely (W. Va.) to keep their pledges to vote for the Mississippian.

Dietrich was a strong rooter for Harrison until the last moment and attended meetings of Harrison adherents where strategy plans were laid. The secret ballot was arranged for the protection of Neely, **who declared that he would vote for Harrison but did not wish to incur the enmity of John Lewis,** the labor leader. The Illinois Democratic organization "persuaded" Dietrich at the behest of "certain individuals" in Washington, it is reported.

Federal Projects Make Start Toward Housing





All that the government will be able to do through its contemplated housing act, and the various projects already under way in many localities, will be far from adequate to meet the nation's shortage of dwelling places. Even the $700-million expenditure contemplated under the housing act will carry a profit-yielding return to the banking privateers, an interest burden upon those who are to live in the homes and their children after them. A before-and-after camera shot of a slum clearance project in the university district at Atlanta, Georgia, is shown in these Ewing and Galloway photos.

Files Bay State Congress Petition

On Tuesday, July 13, Senator Lodge, of Massachusetts, presented the petitions of thousands of citizens of the Bay State, **asking Congress to enact legislation to abolish the Federal Reserve System as presently constituted and praying Congress to exercise its constitutional right to coin money and regulate the value thereof.**

The petition was referred to the Committee on Banking and Currency.

This reactionary committee will pay no more attention to it than it has paid to any true monetary or banking reform.

But Renters Must Pay Off $700-Million

By Staff Correspondent of SOCIAL JUSTICE

WASHINGTON, D. C. — The only legislation of recognizable merit on the chaffy "must" list of the administration at this session of Congress is the Wagner low-cost housing measure.

It seeks to abolish slums and provide decent and sanitary homes, at reduced rentals, for low-income families. Under the legislation, state and local housing authorities are authorized to receive federal loans—maturing over a period of not more than 60 years—and grants or subsidies to partly cover construction costs.

The only families eligible to live in the new housing units would be those whose net income does not exceed five times the rental, including the cost of heat, light, water and cooking fuel. Senator Walsh of Massachusetts introduced an amendment which would change the income limitation to three times the rent for small families and five times for larger families.

The Wagner bill has one drawback, which is peculiar to practically all New Deal legislation. It is based on the false premise that the poor of the nation can be rehabilitated without first reforming our tory money system.

The housing measure calls for the issuance of $700,000,000 in government bonds during the next three years and the authorization of an initial appropriation of $26-million in bonds. Thus, another bonanza of profit is opened up by the New Deal for Baruch "and company."

It is hard to convince the poor people of the country, gorged as they are with White House demagoguery, that the new homes in which they are to live have been mortgaged by the international bankers and that the "beneficence" of $700-million is really a debt which will have to be paid back, three-fold to these bankers in the years to came by American laborers and their children.

11

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